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# HOUSE FISCAL AGENCY

124 N. Capitol Avenue  
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SB331 AS REPORTED WITHOUT AMENDMENT

Sponsor: Sen. Glenn Steil

H-3

Committee: REGULATORY REFORM

Analyst(s): Schneider, Bob

Completed: 11/27/01

### State Fiscal Impact

Cost: None  
Revenues: Indeterminate/Increase

### Local Fiscal Impact

Cost: None  
Revenues: Indeterminate/Increase

The bill would create two new license classes for private-membership golf courses, allow all classes of on-premises licensees to reclassify to another class of license with Liquor Control Commission (LCC) approval, revise the definition of "club" as it pertains to the issuance of a retail "club" license, and delete the current one location limitation on wine tasting for wine makers.

The provision creating two new license classes would allow certain golf courses to obtain licenses to sell beer, wine, mixed drinks, and spirits (Class G-1) or simply beer and wine (Class G-2) for on-premises consumption. In both cases, sales would be limited to course members required to pay an annual membership fee. Consumption would be limited to members and their bona fide guests. A Class G-1 license would have an annual fee of \$1,000, while a G-2 license would have an annual fee of \$500. As with all retail license fee revenue, 55% of the fee revenue is distributed to local units of government to help meet liquor code enforcement costs.

While the bill does create new license classes, current liquor license quotas imposed on local units of government would be maintained. Thus, while the new liquor license classes could enhance the availability of licenses to golf courses, any new licenses in these classes would have to be obtained either through the re-classification of current licenses in other categories or from other licensees or available escrowed licenses in areas that are under the current quota.

It is likely that some private, for-profit golf courses operated on a membership basis would move to re-classify their current Class C or tavern licenses to G-1 and G-2 licenses, respectively, as these licenses would allow them to establish on-premises establishments that served members and guests only (this is not currently allowed with Class C and tavern licenses). This would lead to a small increase (perhaps \$4,000 - \$5,000 annually) in state fee revenue as current law annual licensing fees for Class C and tavern licenses are \$600 and \$250, respectively -- lower than the equivalent G-1 and G-2 license fees. In addition, it is likely that additional golf courses in the future could obtain licenses through the transfer of existing licenses or the activation of escrowed licenses. Again, this would further increase state and local revenue due to the greater fee levels for the new license classes versus those of the existing Class C or tavern licenses.