



Telephone 373-8080
Fax 373-5874

HOUSE FISCAL AGENCY

124 N. Capitol Avenue
4 – North, HOB Lansing, MI

HB5119 AS REPORTED WITHOUT AMENDMENT

Sponsor: Rep. Sal Rocca

Committee: REGULATORY REFORM

Analyst(s): Schneider, Bob

Completed: 10/26/01

State Fiscal Impact

Cost: Indeterminate
Revenues: Indeterminate

Local Fiscal Impact

Cost: None
Revenues: None

The bill would reduce the licensing fee imposed by the Liquor Control Commission (LCC) on manufacturers of spirits from \$10,000 annually to \$1,000 annually. All revenue derived from non-retail liquor license fees such as this one are distributed in accordance with statute to the Grape and Wine Industry Council, which is charged with supporting the Michigan wine grape and wine industries.

Currently, the LCC does not have any licensees in this category, so the bill would have no immediate impact on the State. The long-term fiscal impact of the bill would depend on the extent to which the fee reduction provided an incentive to obtain a license as a spirit manufacturer. Assuming the reduction directly leads to new applicants in this area that eventually receive licenses, the bill could increase future state fee revenue (distributed to the Council as discussed above) and related state regulatory costs since these licensees would not have otherwise applied for a license. Likewise, assuming the fee reduction is not currently a significant barrier to obtaining the license, the bill could lead to a decrease in future state revenue, since under this assumption, these licensees would have applied for the license even at the higher, current law fee level. For this reason, the overall impact is indeterminate.