

# Legislative Analysis

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## LIQUOR CODE AMENDMENTS: OFF-PREMISE LICENSES

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<http://www.house.mi.gov/hfa>

**Senate Bill 344 (passed by Senate as S-2)**  
**Sponsor: Sen. David Hildenbrand**  
**House Committee: Regulatory Reform**  
**Senate Committee: Regulatory Reform**  
**Complete to 5-3-16**

Analysis available at  
<http://www.legislature.mi.gov>

## SUMMARY:

Senate Bill 344 amend Section 533 of the Michigan Liquor Control Code. Currently, this section allows a retail vendor licensed to sell for on-premises consumption to apply for a specially-designated merchant (SDM) license and states that a specially designated distributor (SDD) may also apply for an SDM license.

House Bill 344 would do the following:

- Add language which states that a person may apply for an SDM license without holding or applying for any other license under the act. (This is understood to be the Liquor Control Commission's long-standing practice.)
- Allow an *applicant* for a number of other specified licenses to apply for a license as an SDM, which is a license that allows sales of beer and wine for off-premises consumption. This would apply to Class C, Class A Hotel, Class B Hotel, Class G-1, Class G-2, Tavern, or SDD licensee, or a retailer. Currently, the code allows a retail vendor that is already licensed under the act to sell for consumption on the premises to apply for an SDM license.
- Permit an applicant for an SDM license not in conjunction with an on-premises license, or a person licensed under the act as an SDM only, or a Class B Hotel, to apply for a license as a specially designated distributor (SDD), a license that permits the sale of spirits for off-premises consumption.

The bill would go into effect 90 days after the date it is enacted into law. (House Bill 4895, to which SB 344 had been tie-barred, was signed into law on April 13, 2016, as PA 84 of 2016.)

## FISCAL IMPACT:

The bill would not seem to have a significant fiscal impact on the state or local units of government as it appears to modify the statute to more accurately reflect the actual practices implemented by the LCC based upon administrative rules.

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