



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 271 (Substitute S-1 as reported)
Sponsor: Senator Wayne Schmidt
Committee: Regulatory Reform

CONTENT

The bill would amend the Michigan Liquor Control Code to prohibit an on-premises licensee from selling, offering to sell, or advertising the sale of an unlimited quantity of alcoholic liquor at a specific price, unless all of the following were met:

- The sale, offer, or advertisement was in connection with a private function.
- The licensee had entered into a written agreement with the organizer of the function stating the date and time the event would be held, the location of the event, and the terms under which alcohol would be sold and served during the event.
- The licensee made the written agreement available to the Liquor Control Commission and local law enforcement.

The bill would define "private function" as an event that is a prearranged private party, private function, or private event for a specific social or business occasion; is not open to the general public and attendance is only by invitation or reservation; and at which the guests are served in an outdoor service area or room that is well-defined and clearly marked and designated and is used exclusively for the event.

The bill also would prohibit an on-premises licensee from selling, offering to sell, or advertising the sale of two or more identical drinks containing alcoholic liquor to an individual for his or her consumption for one price. If two or more such drinks were served to a person at one time, the price charged for the second and each additional drink would have to be the same as the price charged for the first drink.

The bill would take effect 90 days after its enactment.

Proposed MCL 436.2014

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have a minor, but likely negative fiscal impact on the Michigan Liquor Control Commission (MLCC) within the Department of Licensing and Regulatory Affairs, as well as on local units of government. By prohibiting the sale of two or more alcoholic beverages at a single price for on-premises consumption, the bill would introduce minor ongoing enforcement costs to both local law enforcement departments and the MLCC, as well as initial costs related to changes in agency procedures. In total, the costs related to enforcement of the bill would likely be minor. Both the MLCC and local law enforcement departments have dedicated resources for the enforcement of the Michigan Liquor Control Code, which are derived from annual license fees paid by establishments that sell alcoholic beverages; these resources would likely be used to cover new costs introduced under the bill.

Date Completed: 4-27-15

Fiscal Analyst: Josh Sefton