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BILL ANALYSIS



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Senate Bill 271 (as introduced 4-16-15)
Sponsor: Senator Wayne Schmidt
Committee: Regulatory Reform

Date Completed: 4-22-15

CONTENT

The bill would amend the Michigan Liquor Control Code to do the following:

- **Prohibit the sale of an unlimited quantity of alcohol at a specific price, except in connection with a private function.**
- **Prohibit the sale of two or more identical alcoholic drinks at one price.**

The bill would take effect 90 days after its enactment.

Unlimited Quantity

The bill would 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 the sale, offer, or advertisement was in connection with a private function.

The bill would define "private function" as an event that meets all of the following conditions:

- It is a prearranged private party, function, or event for a specific social or business occasion.
- It is only by invitation or reservation.
- It is not open to the general public.
- The guests are served in an outdoor service area or room that is designated and used exclusively for the event.

Multiple Drinks

The bill would prohibit a 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.

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.

Fiscal Analyst: Josh Sefton

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