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## BILL ANALYSIS



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Senate Bill 271 (as enacted)  
Sponsor: Senator Wayne Schmidt  
Senate Committee: Regulatory Reform  
House Committee: Regulatory Reform

**PUBLIC ACT 47 of 2015**

Date Completed: 7-20-15

**CONTENT**

**The bill amended 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 took effect on June 9, 2015.

Unlimited Quantity

The bill prohibits 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 are met:

- The sale, offer, or advertisement is in connection with a private function.
- The on-premises licensee has entered into a written agreement with the organizer of the private function stating the location of the event and the terms under which alcohol will be sold and served during the event.
- The on-premises licensee, on notice, makes the written agreement available to the Liquor Control Commission and local law enforcement.

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

- It is a prearranged private party, private function, or private event for a specific social or business occasion.
- Attendance 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 well-defined and clearly marked and designated and used exclusively for the event.

Multiple Drinks

The bill prohibits 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 are served to a person at one time, the price charged for the second and each additional drink must be the same as the price charged for the first drink.

MCL 436.2014

Legislative Analyst: Patrick Affholter

## **FISCAL IMPACT**

The bill will 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 introduces 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 will 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 will likely be used to cover new costs introduced under the bill.

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.