

Administrative Rule Analysis



Licensing Qualifications

Phone: (517) 373-8080
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Rule Set No.: 2017-025 LR

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

Department: Licensing and Regulatory Affairs

Agency: Liquor Control Commission

Enabling Statute: Michigan Liquor Control Code, 1998 PA 58, MCL 436.1215(1)

Analysis Complete to: 11/20/2017

BACKGROUND AND SUMMARY OF PROPOSED RULES

2017-025 LR would rescind R 436.1133, which currently prohibits applications for new Specially Designated Distributor (SDD) licenses and transfers of existing licenses from being approved if there is an existing SDD license within 2,640 feet of the proposed site. MCL 436.1533 limits the number of SDD licenses to one for every 3,000 in population or fraction thereof. By rescinding this rule, licensed locations would be allowed to exist within 2,640 feet of each other, but would still be subject to the aforementioned limit based on population.

FISCAL IMPACT OF PROPOSED RULES

2017-025 LR may lead to indeterminate cost reductions for the Department of Licensing and Regulatory Affairs, since Liquor Control Commission (LCC) investigators would no longer need to measure the distance between proposed and existing SDD locations. The rescission of the existing rule may also result in minor increases in revenues from liquor licensing fees, since communities that are currently ineligible to receive waivers under the existing rule may be able to issue additional licenses (since population levels may be sufficient to allow more licensing, but communities may be currently unable to meet the requirement of not allowing two licenses to exist within 2,640 feet of each other). Any revenues resulting from increased issuance of licenses would be distributed in accordance with MCL 436.1543(1), which allocates distributions as follows: 55% to municipalities for law enforcement agencies (or to counties for sheriff's departments) for enforcement of the Liquor Control Code and associated rules; 41.5% for deposit to a special fund, annually appropriated to the LCC for conducting licensing and enforcement activities; and 3.5% for programs for prevention, rehabilitation, and treatment of alcoholism.

Fiscal Analyst: Marcus Coffin

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