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BILL ANALYSIS

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House Bill 4458 (Substitute H-2 as passed by the House)
Sponsor: Representative Sal Rocca
House Committee: Regulatory Reform
Senate Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 11-12-03

CONTENT

The bill would amend the Michigan Liquor Control Code to allow specially designated distributors (SDDs) to sell alcoholic liquor at a price equal to or greater than the minimum retail selling price fixed by the Liquor Control Commission, and specify that liquor could not be sold at less than the minimum retail selling price. Currently, liquor sold by SDDs must be sold at a price fixed by the Commission. (An SDD is a person licensed by the Commission to sell packaged liquor for off-premises consumption.)

The bill would define "retail selling price" as the price the Commission pays for spirits plus the gross profit established in the Code. (The Code allows the Commission to establish a gross profit of from 51% to 65% added to the price it pays for spirits. The Commission currently maintains a 65% gross profit.) This definition also would apply to sections of the Code providing for specific taxes, which are percentges of the retail selling price.

The bill would define "minimum retail selling price" as the retail selling price plus the specific taxes imposed on liquor in the Code.

MCL 436.1229   Legislative Analyst: George Towne

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State revenues, depending upon how price variations would affect the amount of liquor purchased. If these amounts remained constant, there could be additional sales tax revenue. If the levels increased or decreased, revenues to the School Aid Fund and the General Fund would be adjusted accordingly.

                                    Fiscal Analyst: Maria Tyszkiewicz