

SENATE BILL NO. 732

February 28, 2024, Introduced by Senators WOJNO, POLEHANKI, SINGH, MCCANN, SHINK, GEISS, HERTEL, BAYER, MOSS, WEBBER, VICTORY, SANTANA, KLINEFELT and CHANG and referred to the Committee on Regulatory Affairs.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
(MCL 436.1101 to 436.2303) by adding section 804.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 804. (1) The commission shall conduct a review of the**
2 **financial viability of a vendor if any of the following apply:**

3 **(a) The vendor fails to pay another vendor in accordance with**
4 **section 1013 3 or more times in 12 consecutive months.**

5 **(b) The vendor fails to pay taxes in violation of section 301**
6 **or 409.**

1 (c) The vendor sells or furnishes alcoholic liquor to a minor
2 in violation of section 701 2 or more times in 12 consecutive
3 months.

4 (d) The county, city, township, or village where the vendor is
5 located requests the commission to conduct a review. The request
6 under this subdivision must be a resolution approved by a majority
7 of the legislative body of the county, city, township, or village.

8 (e) The vendor is convicted of a financial crime including,
9 but not limited to, fraud, forgery, counterfeiting, embezzlement,
10 or tax evasion.

11 (f) The vendor fails to pay sales tax in violation of the
12 general sales tax act, 1933 PA 167, MCL 205.51 to 205.78.

13 (g) The vendor fails to pay property tax in violation of the
14 general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

15 (h) The vendor refuses to pay the cash refund in violation of
16 R 436.1629(2) of the Michigan Administrative Code.

17 (2) A financial review required under subsection (1) must
18 include, but is not limited to, a review of the vendor's balance
19 sheets, income statements, cash flow statements, and tax returns
20 for the 3 preceding years.

21 (3) If the commission determines that the vendor subject to a
22 review under this section is not financially viable, the commission
23 shall suspend the license for 1 year and require the license to be
24 placed in escrow. If the commission determines that the vendor is
25 financially viable, the vendor shall pay a \$1,000.00 administrative
26 fee to be deposited into the liquor control enforcement and license
27 investigation revolving fund created under section. 543. If a
28 vendor that is determined not financially viable proves that the
29 vendor has become financially viable during the suspension, the

1 commission shall reinstate the license at that time. If at the
2 conclusion of the suspension the vendor remains not financially
3 viable, the commission shall revoke the license.

4 (4) As used in this section, "financially viable" means the
5 ability to pay for goods and services, make debt service payments,
6 and pay other obligations as they are due.