

Legislative Analysis



SUSPENSION OR REVOCATION OF LIQUOR LICENSE FOR SELLING OR FURNISHING ALCOHOL TO A MINOR

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Senate Bill 874 (Substitute S-1)

Sponsor: Sen. Tory Rocca

House Committee: Regulatory Reform

Senate Committee: Regulatory Reform

Complete to 3-13-12

A SUMMARY OF SENATE BILL 874 AS PASSED BY THE SENATE 2-16-12

The bill would amend Section 501 (MCL 436.1501) of the Liquor Control Code to change the standard for the suspension or revocation of an off-premises liquor license for multiple occasions of selling or furnishing alcohol to a minor.

Currently, a local legislative body can request the Liquor Control Commission to revoke the license of an off-premises licensee within the local unit if the licensee has been determined in a Commission violation hearing to have sold or furnished alcohol to a minor on three separate occasions within a single calendar year. This provision does not apply if the violations involved the use of fraudulent or falsified identification by the minor. If the Commission verifies the licensee has been found to have committed violations as described above, the Commission can suspend or revoke the licensee's license and any permit held in conjunction with that license.

Under the bill, the provision described above would apply if there were three separate occasions of selling or furnishing alcohol to a minor in a consecutive 12-month period, rather than in a single calendar year.

The bill also would amend a section that requires on-premises licenses to be approved by the local legislative body where the place of business is located. There is an exception to this requirement for a city with a population of 750,000. The bill would change the population threshold to 600,000. The provision would still apply only to Detroit, whose population fell below 750,000 in the most recent decennial census. (This change essentially leaves the current practice in place.)

FISCAL IMPACT:

Senate Bill 874 would not have a significant fiscal impact on state or local budgets. To the extent that the change from "single calendar year" to "consecutive 12-month period" results in additional off-premise liquor licenses being revoked by the LCC for violations of the Code, those licenses would become available for purchase by other retailers who would be required to pay applicable fees to the LCC.

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