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Senate Bill 874 (Substitute S-1 as reported)
Sponsor: Senator Tory Rocca
Committee: Regulatory Reform

(as enrolled)

CONTENT

The bill would amend the Michigan Liquor Control Code to revise the standard for suspension or revocation of an off-premises liquor license for multiple occasions of selling or furnishing alcohol to a minor, and to revise the population ceiling for local approval of a liquor license.

Currently, a local legislative body may request the Liquor Control Commission to revoke the license of an off-premises licensee in the local unit if the licensee has been determined in Commission violation hearings to have sold or furnished alcohol to a minor on at least three separate occasions in a single calendar year (unless the violations involved the use of falsified or fraudulent identification by the minor). If the Commission verifies the violations, it may suspend or revoke the license and any permit held in conjunction with that license. Under the bill, these provisions 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.

Under the Code, an application for a license to sell alcohol for on-premises consumption must be approved by the local legislative body before the Commission grants the license, except in a city having a population of 750,000 or more. Under the bill, local approval would not be required in a city with a population of 600,000 or more.

MCL 436.1501

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would make the revocation of an off-premises liquor license for multiple violations of furnishing alcohol to a minor slightly more likely. Currently, for example, it is conceivable that a licensee could be cited for furnishing alcohol to a minor twice in December, and then twice more in January, and not be subject to potential license revocation since three violations did not occur in the same calendar year. Under the bill, a licensee in the same circumstance could have its license suspended or revoked. To the extent that this new criterion caused more establishments to lose their liquor licenses, liquor license fee revenue as well as the various taxes and markups the State receives on alcoholic beverages could be adversely affected. It is likely, however, that this effect would be very minor.

Date Completed: 1-27-12

Fiscal Analyst: Josh Sefton