



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4360 (Substitute H-1 as passed by the House)
Sponsor: Representative Gail Haines
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

Date Completed: 5-20-13

CONTENT

The bill would amend the Michigan Liquor Control Code to subject a liquor licensee to suspension or revocation of the license if the licensee engaged in an electronic transaction that was for Food Assistance Program benefits but involved an item other than eligible food and was related to the sale of alcohol.

The bill would take effect 90 days after enactment.

Specifically, a liquor licensee would be subject to sanctions if the licensee were convicted or administratively disqualified because of an electronic transaction that was for Food Assistance Program benefits, involved an item other than eligible food, and was related to the sale of alcohol under the liquor license.

Upon notice and a proper hearing, the Liquor Control Commission or a commissioner or duly authorized agent of the Commission designated by the Commission's chairperson would have to impose the following license sanctions upon a licensee described above:

- A license suspension for 30 to 60 days, for a first violation.
- A license suspension for 61 to 120 days, for a second violation.
- Revocation of the license, for a third or subsequent violation.

A licensee aggrieved by a sanction imposed under the bill could invoke the Code's hearing and appeal procedures.

Under the bill, "convicted" would mean that the licensee either was convicted of or pleaded guilty to a crime under Section 300a(1)(c) of the Michigan Penal Code. (That section prohibits a person from knowingly using, transferring, acquiring, altering, purchasing, possessing, presenting for redemption, or transporting food stamps or coupons or access devices other than as authorized by Federal law.)

"Administratively disqualified" would mean administratively disqualified from acting as a merchant under the Federal Food and Nutrition Act or Federal regulations because the licensee had engaged in trafficking as that term is defined in Federal regulations. A licensee would not be administratively disqualified until any administrative or judicial review under Federal regulations was complete. (Federal regulations define "trafficking" as the buying or selling of benefit instruments for cash or consideration other than eligible food; or the

exchange of firearms, ammunition, explosives, or controlled substances for a benefit access device.)

Proposed MCL 436.1903a

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have a likely minor negative fiscal impact on the Department of Licensing and Regulatory Affairs. The bill would allow the licensees whose licenses had been suspended due to improperly accepting Food Assistance Program benefits as payment to appeal their sanctions. To the extent that these sorts of appeals occurred, the Department would have to cover its costs related to the appeals.

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.