

Legislative Analysis



PROHIBIT POWDERED ALCOHOLS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4416 (reported from committee w/o amendment)

Sponsor: Rep. Scott Dianda

House Committee: Regulatory Reform

Analysis available at
<http://www.legislature.mi.gov>

Senate Bill 240 (reported from committee w/o amendment)

Sponsor: Sen. Rick Jones

Senate Committee: Regulatory Reform

House Committee: Regulatory Reform

(Senate Bill 240: Enacted as Public Act 165 of 2015)

Complete to 9-15-15

SUMMARY:

House Bill 4416 and Senate Bill 240 are identical, and each would amend the Michigan Liquor Control Code to add a new section, Section 914a, that would prohibit an individual from using, possessing, selling, or offering to sell, powdered alcohol. A person who violated this prohibition would be guilty of a misdemeanor. The bills would take effect 90 days after being enacted.

This prohibition would not apply to a hospital that operates primarily for conducting scientific research, or a state institution, private college or university, or a pharmaceutical or biotechnology company conducting bona fide research.

The bills would define powdered alcohol as alcohol that is sold in powder form for either direct use or reconstruction.

FISCAL IMPACT:

House Bill 4416 and Senate Bill 240, both as introduced, would have a likely nominal fiscal impact on the Michigan Liquor Control Commission (LCC) and state and local law enforcement agencies to the extent that the LCC and law enforcement agencies carry out enforcement actions pertaining to the prohibition of powdered alcohol.

The bill would also have indeterminate, yet likely nominal, fiscal impacts on county prosecutors and the judiciary via local court funding units dependent on how the provisions of the bill affect caseloads and related administrative costs. To the extent that the bill results in a greater number of misdemeanor convictions, it would increase costs related to county jails and/or local misdemeanor probation supervision, which vary by jurisdiction. Any increase in penal fine revenues would increase funding for local libraries, which are the constitutionally-designated recipients of those revenues.

BACKGROUND AND DISCUSSION:

Powdered alcohol is a substance that can be combined with liquid to form an alcoholic drink. Not yet widely available in Michigan, supporters of these bills cited this as motivation for addressing the issue now. The portability of powdered alcohol is considered a pro and a con, by opponents and supporters, respectively. Promotional materials for the product cite the smaller form factor of powdered alcohol as a positive for individuals wishing to bring alcohol along on trips when weight or size restrictions may otherwise prohibit bringing, say, a fifth of alcohol.

However, it is this small form factor that concerns those who oppose the product and support a prohibition on its sale in Michigan. During testimony offered in committee, the bills' supporters noted that its small size would make it easier for minors to conceal and abuse and for nefarious individuals to use to spike drinks of the unsuspecting. These allegations are contested by the makers of the powdered alcohol products who say powdered alcohol is no more dangerous than traditional liquid alcohol.

POSITIONS:

The following indicated support for HB 4416 and SB 240:

Michigan Licensed Beverage Association (9-9-15)
Michigan Sheriffs Association
Michigan Academy of Pediatrics
Michigan State University
Michigan Beer and Wine Wholesalers
Michigan Academy of Family Physicians

The following indicated neutrality toward HB 4416 and SB 240:

Michigan Liquor Control Commission

Legislative Analyst: Josh Roesner
Fiscal Analyst: Paul B. A. Holland
Robin Risko

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.