

Legislative Analysis



ALLOW MINORS TO WORK FOR CERTAIN LIQUOR LICENSEES

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

House Bill 5695 as reported from committee
Sponsor: Rep. Pauline Wendzel

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

House Bill 5696 as reported
Sponsor: Rep. Stephanie A. Young

House Bill 5726 as reported
Sponsor: Rep. Pat Outman

Committee: Regulatory Reform
Complete to 3-23-22

BRIEF SUMMARY: House Bills 5695 and 5696 would amend the Michigan Liquor Control Code to allow a minor employee who is at least 16 years old to build a display of certain brands of alcohol, mark the price on those brands, rotate them, and place them on shelves under certain conditions. House Bill 5726 would amend the Youth Employment Standards Act to allow a minor to be issued a work permit for employment with an establishment where alcoholic beverages are distributed.

FISCAL IMPACT: The bills would not have a fiscal impact on any unit of state or local government.

THE APPARENT PROBLEM:

Michigan wholesalers, who deliver beer, wine, and mixed spirit drink to licensed retail establishments, have reported difficulty in hiring enough people to sufficiently staff their businesses. One problem cited by some in the liquor industry is that the state liquor law makes it illegal for persons under 18 years of age to engage in the sale of alcohol, even if that constituted a small part of their work duties. As the law defines the sale of alcohol very broadly, even activities such as refilling the beer cooler, stocking shelves with alcoholic beverages, or building a promotional display for a product containing alcohol are considered to be "selling alcohol." If the law were amended to narrowly restrict the types of alcohol-related work duties that 16- and 17-year-olds can do, it could ease the burden faced by many wholesalers.

THE CONTENT OF THE BILLS:

House Bill 5695

Currently, a liquor licensee is prohibited from allowing a person who is less than 18 years old to sell or serve alcohol. The bill would provide that this prohibition does not prohibit a *wholesaler's employee* who is 16 years of age or older from doing any of the following regarding brands that are represented or sold by the wholesaler for an off-premises retailer:

- Building a display for those brands.
- Marking the price on those brands.
- Rotating those brands.
- Placing those brands on shelves.

MCL 436.1707

House Bill 5696

Currently, an individual who is a designated employee of certain classes of liquor licensees is prohibited from selling, delivering, promoting, or otherwise assisting in the sale of alcohol in any manner to a retailer in Michigan unless the individual is licensed as a salesperson. However, licensure as a salesperson is not required for an individual who is at least 18 years of age and who, with regard to brands that are represented or sold *by the individual's employer* for an off-premises retailer, only builds a display of those brands, marks the price on those brands, rotates those brands, or places those brands on shelves.

The bill would apply this exemption to an individual who is at least 16 years of age and who only performs the tasks described above. The bill would apply to employees of licensees that include manufacturers of beer, wine, or mixed spirit drink; outstate sellers of beer, wine, or mixed spirit drink; wholesalers; vendors or manufacturers of spirits; and brokers who represent one or more of these licensees.

MCL 436.1502

House Bill 5726

Currently, a work permit cannot be issued that would allow a minor 16 years of age or older to be employed in, about, or in connection with that part of an establishment where alcoholic beverages are distilled, rectified, compounded, brewed, manufactured, bottled, consumed, *distributed*, sold at retail, or sold for consumption on the premises, unless the sale of food or other goods constitutes at least 50% of the total gross receipts.

The bill would delete the italicized word above to allow a minor who is at least 16 years old to be issued a work permit for employment in, about, or in connection with that part of an establishment where alcoholic beverages are *distributed*, even if the sale of food or other goods constitutes less than 50% of the total gross receipts.

MCL 409.115

ARGUMENTS:

For:

Many businesses are facing critical staffing shortages, and the liquor industry is among them. Under current law, a 16- or 17-year-old with a driver's license can drive a van to deliver beer, wine, or mixed spirit drink to a package liquor store, but is prohibited from unloading the delivery and placing a six-pack on a store shelf. Under the bills, an employee of certain liquor licensees involved in the delivery of alcoholic beverages who is younger than 18 could stock shelves, build a promotional display, put a price sticker on a package or container, or rotate stock. The bill would not apply to servers in a bar or restaurant or employees of off-premises retail stores. Because their exception is so narrowly crafted, the bills should not pose a health or safety threat or lead to increases in underage drinking. It is hoped that the bills will enable more young persons to access entry level positions as well as enable wholesalers and certain vendors to fill open positions.

Against:

There are reasons the liquor laws in Michigan have long restricted the types of activities available to minors, including employment-related activities. When not used responsibly,

alcohol can have negative impacts on individuals, families, and communities. Although the job tasks that the bills would allow appear benign, some may feel that easing any restrictions could be a slippery slope to easing other restrictions that have been put in place to protect vulnerable teenagers.

POSITIONS:

A representative of the Michigan Beer & Wine Wholesalers Association testified in support of the bills. (3-1-22)

The Michigan Liquor Control Commission indicated a neutral position on HBs 5695 and 5696. (3-15-22)

Michigan Alcohol Policy Promoting Health and Safety indicated opposition to HBs 5695 and 5696. (3-15-23)

The Michigan Council on Alcohol Problems indicated opposition to HB 5695. (3-15-22)

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Marcus Coffin

■ 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.