

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 4035 (Substitute S-3 as reported)
Sponsor: Representative Jennifer Faunce
House Committee: Regulatory Reform
Senate Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend the Michigan Liquor Control Code to revise penalties for the sale or furnishing of alcohol to minors; provide that action could not be taken against a licensee unless action also was taken against the clerk, agent, or employee who sold or furnished alcohol to the minor; and allow the Michigan Liquor Control Commission (MLCC) to issue additional licenses in 2003 and 2004. The bill also would refer to the Eastern Michigan University "convocation center", rather than the "Hoyt conference center", which is considered a university-owned conference center and may sell alcohol.

Currently, a retail licensee or retail licensee's clerk, agent, or employee who knowingly sells or furnishes alcohol to a minor is guilty of a misdemeanor punishable by imprisonment for up to six months and/or a fine of up to \$500. Under the bill, if the violation were the result of an undercover operation directed by the State Police, a local police agency, or the MLCC, the retail licensee's clerk, agent, or employee would be responsible for a State civil infraction and could be fined not more than \$100. A violator who was not a retail licensee or a licensee's clerk, agent, or employee would be guilty of a misdemeanor punishable by a maximum fine of \$1,000 and imprisonment for up to 60 days for a first offense, or a maximum fine of \$2,500 and imprisonment for up to 90 days for a subsequent offense, and could be ordered to perform community service. (Currently, the fine amounts are mandatory.)

Under the Code, if the enforcement agency involved in the violation is the State Police or a local police agency, the retail licensee may not be charged with a violation, and the MLCC may not suspend or revoke the licensee's license, unless enforcement action also is taken against the minor and, if applicable, against the person 21 years of age or older who sold or furnished the alcohol to the minor. Under the bill, enforcement action also would have to be taken against the retail licensee's clerk, agent, or employee.

The bill also would allow the MLCC to issue the following additional liquor licenses, regardless of the current population quota, in 2003 and 2004: up to 10 additional resort licenses per year, one license to an applicant in a rural area with a high poverty or unemployment rate, 20 resort economic development licenses, and 10 specially designated distributor licenses.

MCL 436.1701 et al.

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would have no fiscal impact on State government, including the MLCC. The bill would have an indeterminate impact on local governments. To the extent that it would change the penal fines for knowingly selling or furnishing alcohol to a minor from required levels of \$1,000 and \$2,500 to maximum fine levels, the bill could decrease funds available to public libraries. The bill would impose civil fines on retail license clerks of not more than \$100. These fines would be distributed to public libraries.

Date Completed: 12-4-02

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