

## City of Plymouth Support for House Bill 4935

Good morning,

Mr. Chairman, members of the Committee, my name is Al Cox and I am the Director of Public Safety for the City of Plymouth. I would first like to thank you for the opportunity to speak before you today.

I am here as a representative of the City of Plymouth to express our support for House Bill 4935. I believe I also speak for many other police chiefs and municipalities that were unable to be here today, yet struggle with the same challenges we face in the City of Plymouth related to the over service of alcohol by establishments licensed by the Michigan Liquor Control Commission (MLCC). Our support is based entirely on the two (2) clear provisions of this bill:

1. Fines for Administrative Rule Violations of the MLCC are raised to a more appropriate level as a means of deterrence.
2. Reimbursement to local government for costs attributable to MLCC Administrative Rule Violations.

I'd like to start by providing a little background about the City of Plymouth. We are just shy of 2 ½ square miles with a population of 9,132 residents. As of this morning, we have 24 alcohol by the glass establishments operating within our borders. This equates to one establishment for every 381 men, women, and children living in our fine City. The mother lode of our establishments opened within the last 10-15 years. What was once a small sleepy town, with zero night time activity, where you could roll the sidewalks up at six o'clock and go home, has become a destination with significant activity late into the evening and early morning hours. As a result, our fifteen (15) member police department has become very busy with every type of alcohol enforcement.

While much of our enforcement activity centers around criminal violations such as drunk driving, public intoxication, and drunk and disorderly type behaviors, we also spend a great deal of time ensuring that licensed establishments are abiding by the Administrative Rules of the MLCC. When we observe violations, we forward reports of same to the MLCC. This generally results in charges requiring the licensee to appear before an MLCC Commissioner to answer for the violation(s). If a violation is found to have occurred, various sanctions against the licensee are handed down by the Commissioner usually in the form of a fine(s).

It should be noted that while this is an administrative process by a regulatory agency, law enforcement depends on the enforcement of these rules to assist in curbing undesirable behavior that can lead to more serious law violations. For example, an establishment that over serves patrons ( a clear administrative rule violation) is more likely to have one of those patrons leave, get into a vehicle and drive away, risking not only their own life but the lives of others. It is assumed that when such a violation is substantiated, an MLCC Commissioner will sanction the licensee with a fine that will deter such future behavior.

Sadly, this is not the case. Not because the Commissioner fails to sanction the licensee, but because they are limited as to the amount of fine they can levy. Generally, anywhere between \$100-\$300 for most violations and for a critical violation, such as serving a minor, \$1000 is the maximum. As a result, rather than change behavior, some licensees work these numbers into their budget and view them as a cost of doing business.

House Bill 4935 addresses this issue and seeks to provide a greater deterrence to bad actors, more concerned with making a buck than acting as a responsible business owner and member of the community. HB 4935 broadens the discretion of the Commissioner by raising maximum fines for any violation to \$750 from the current \$300. While I, and most police chiefs I talk to, would like to see the maximum set at \$1000, this is a much needed improvement.

And what I believe will have an even greater impact, is the provision within HB 4935 that raises the maximums of Critical Violations, such as serving a minor, to anywhere from \$2000 with possible suspension and/or license revocation for a first offense to \$5000 with suspension and/or license revocation for repeat offenders.

The current low end fines and therefore lack of deterrence can be seen in the following example from the City of Plymouth:

In 2012, after having been open for a little over a year, one of our more popular liquor establishments changed managers. Shortly thereafter, we began to see a significant rise in administrative rule violations. Most of the violations had to do with over service of patrons which then led to bad behavior involving criminal charges. After the first Violation Hearing, we thought the management would have gotten the picture and changed their behavior. This was foolish however, when one considers that they only paid \$300 in fines. This amount of money is nothing compared with what the establishment was likely bringing in on a busy Thursday, Friday, or Saturday night. Sure enough, it wasn't long before we began to see more violations. By the end of 2012, this particular establishment had accumulated a total of 43 counts of MLCC violations. For those violations, they paid a total of \$8,900 in fines. This equates to about \$207 per violation. Again, when one considers what a popular establishment brings in every weekend, this is nothing more than the cost of doing business.

This same example can be used to demonstrate our second reason for strong support of this bill: the provision for reimbursement to local government for costs attributable to an MLCC Administrative Rule Violation.

Going back to the example, in contrast to the \$8,900 paid out by the licensee for violations, the City of Plymouth actually paid over \$2,400 in costs just for police officers to attend the many Violation Hearings. Again, this cost to the City was simply to attend the hearings. It did not cover the completion of the Violation Reports, follow up investigations, or the subpoena service required to ensure that necessary witnesses attended those hearings. With the reimbursement provision of this bill, not only would the City be made whole, but even more deterrence is afforded as this reimbursement is in addition to the imposed fines.

Some may say that this bill will have no effect on deterring behavior, because bad actors will continue to behave badly regardless of the fines. I however would disagree and simply compare this to the sanctions for

drunk driving that have evolved over the last twenty to thirty years. In the 70s and 80s, drunk driving penalties were minimal and fines were low. As a result many people didn't think twice about driving drunk. Today, drunk driving is extremely expensive in terms of fines, court costs and license sanctions. There are still drunk drivers, but the numbers are significantly less because people know if they're caught it will hit them hard in the pocketbook. Increased costs to irresponsible liquor licensed establishments for bad behavior in the form of fines and reimbursement is no different.

Thank you again for your time and attention and the opportunity to speak.