



**House
Legislative
Analysis
Section**

Washington Square Building, Suite 1025
Lansing, Michigan 48909
Phone: 517/373-6466

PUBLIC GOLF COURSE LIQUOR LICENSES

House Bill 4081 as enrolled
Second Analysis (4-4-88)

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MAY 05 1988

Sponsor: Rep. Gerald H. Law
House Committee: Liquor Control
Senate Committee: Regulatory Affairs

THE APPARENT PROBLEM:

Generally speaking, the Liquor Control Act imposes a quota on the number of on-premises liquor licenses available in the state; the limit is one per 1,500 people in a community. There are a number of exceptions, licenses that can be awarded outside the quota system. It has been recommended that an exception be made for municipal golf courses so that they can obtain "Class C" licenses without affecting the supply of on-premise licenses available to private interests. (A "Class C" license allows the sale of beer, wine, and spirits for on-premises consumption only.) Many municipalities see owning a golf course as an asset. The course often improves the area in which it is located, offers recreation to the public, and brings in revenues. In some communities, it is argued, a public golf course can only be successful if it has a liquor license; otherwise, it has difficulty competing. But liquor licenses are scarce. Some communities have used up their supply, and for those communities with licenses left, awarding a license to a municipal golf course would mean reducing the number available to private investors.

THE CONTENT OF THE BILL:

The bill would amend the Liquor Control Act to allow the Liquor Control Commission to issue a Class C license outside the quota system to a golf course in a county with a population of at least one million if the course was owned by a county, city, village, or township and was open to the public. Such a license could not be transferred to another location and would have to be surrendered if "the licensee goes out of business." A Class C license allows the sale of beer, wine, and spirits for consumption on the premises.

MCL 436.17i

FISCAL IMPLICATIONS:

According to the Senate Fiscal Agency, the bill would have an indeterminate fiscal impact on state and local government. (3-14-88)

BACKGROUND INFORMATION:

Among the exceptions to the on-premises license quota already in the liquor law are those for municipal civic centers, university conference centers, publicly owned airports, and the state fairgrounds. Non-quota licenses are also available in Mackinac Island State Park, at the Presque Isle harbor marina, and at the site of the former Kincheloe Air Force base. Also available each year are a number of resort licenses; at present 50 such licenses are available each year, with half of those for major commercial ventures (so-called "million dollar" licenses).

ARGUMENTS:

For:

Operating a golf course can be an attractive proposition for a municipality, a way to provide recreation to the public while generating revenues. Sometimes a liquor license is needed to make operating a golf course worthwhile. The bill would allow publicly owned golf courses in the state's two largest counties to obtain liquor licenses without diminishing the supply of licenses available to the private sector. Similar exceptions already exist in the liquor law. The proposal will not produce a dramatic increase in on-premises licenses but will, instead, reduce the likelihood of the private and public sectors competing for liquor licenses.

Response: Why shouldn't municipalities in other counties have the opportunity to get liquor licenses for their golf courses outside of the quota system?

Against:

The bill represents a further weakening of the population-based quota system, which has the aim of limiting the number of liquor outlets. Some people say that the state is already unable to police the licensees it has and so should not encourage an increase in their number. Increasing the availability of alcohol means increasing the number of alcohol-related problems plaguing our society. It also means more state dollars spent on alcohol problems and more personal tragedy. The continual addition of exceptions threatens to make the on-premises quota meaningless, and, in turn, to make its appearance in the liquor law a kind of deception.

Against:

Some people are opposed in principle to the concept of the public sector competing with private business.

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at little cost to the state, since prisoners are required to pay \$7 of the \$9 per day leasing cost of the equipment. Funds have also been appropriated this fiscal year for 24-hour staffing of all corrections centers. The hiring freeze recently imposed by the governor, however, will introduce some problems in the staffing needed to meet the requirements of the bill. (11-6-87).

ARGUMENTS:

For:

The bill would end extended furloughs and force the corrections department to put furloughed prisoners living at home back into corrections facilities where they belong. It is inappropriate for the state to allow people who are still prisoners with up to two years left in their sentences to live virtually unsupervised at home for months at a time. Absent evidence to the contrary, such a practice exposes the public to increased risk by making it all too easy for criminals to commit more crimes while they are still prisoners of the state corrections system. The use of extended furloughs is like placing people on parole before they are eligible; indeed, it has become common practice to place persons approved for parole on extended furlough 30 days before their parole date. Of even greater concern, and exemplifying the potential for abuse of the extended furlough authority, is the fact that assaultive prisoners rejected by a Flint halfway house were at least for a while being placed on extended furlough. The abuse of the extended furlough authority circumvents the will of the public and the intent of the sentencing judge by releasing a prisoner into the community before the proper amount of time is served. The bill would do away with a practice that is bad public policy.

Against:

The bill preserves the obscure language of the statute and complicates efforts to ascertain its meaning. Granted, the bill would state that an extension of the limits of confinement (in other words, a furlough) could not exceed a cumulative total period of 30 days, and that the furlough would only be granted for the purpose of visiting a critically ill relative or attending the funeral of a relative. However, deciding whether a relative is "critically ill" or not calls for a subjective decision on the part of prison officials. Committee discussion, on the other hand, indicated that the bill would limit the total amount of furlough time for a prisoner to 30 days, so that if, for example, a prisoner was given a two-day furlough to attend a funeral, then that prisoner would have 28 days of furlough time remaining, for whatever reason(s) it was needed. If this is the case, then the law may be overly rigid, for over the course of many years of incarceration, legitimate furlough needs (hospitalization, family emergencies, job hunting, and other reasons) may exceed a total of 30 days.

Response: The department asserts that, under department policy, certain guidelines are used to determine when a request for furlough under the above circumstances is justified or not. First, furloughs for visits to sick relatives are granted only when the relative is someone who had a major influence in the prisoner's upbringing. Second, the request is verified by an agent in relative's area of residence, who ascertains from the physician involved that death is imminent. In practice, wardens tend not to allow furloughs for visits to sick relatives, since the procedure allows for the possibility of escape. The prisoner usually ends up using his or her furlough to attend the funeral.

Against:

The bill easily could create more problems than it would solve. By forcing the corrections department to create more

bedspace for the 700 or so prisoners who are on extended furlough at any given time, at a time when the prison system is already 2,270 prisoners over capacity, the bill would worsen overcrowding. There is simply no place to put these people. Further, it is not clear that prisoners on extended furlough have created major problems. As a group, these are the prisoners that have the best records and the best chance to lead constructive lives; they have even managed to obtain and hold down jobs. In fact, the extended furlough program offers prisoners strong incentive to improve their habits and find a job. The bill is an ill-advised and piecemeal response to a problem that may be based more on public perception than hard data.

Response: Under the bill, prisoners not in a corrections center with 24-hour security staffing would be placed on electronic monitoring (tethers). The director of the Department of Corrections has publicly supported elimination of extended furloughs when sufficient prison beds are available. It is estimated that capacity will equal population in 1990. Faced with a choice between a breakdown in the system, should extended furloughs be abolished at this time, and the bill's provisions to limit furloughs to 30 days under some method of supervision, the pragmatic choice is to accept the latter.

Rebuttal: It has not been proven in the past that prisoners on extended furlough had been rehabilitated to the point where anyone could say with certainty that they no longer posed a threat to the public, or that good prison records and job opportunities would deter prisoners from committing crime. Recently, a prisoner on furlough committed murder while on electronic monitoring. Faced with this fact, it is inevitable that some other compromise will have to be worked out.

Against:

Furloughing prisoners 30 days before their release date subverts the parole process; prisoners should stay in corrections facilities until they are paroled. The practice circumvents the will of the public expressed through Ballot Proposal B of 1978 and embodied in section 33b of the act: that a person convicted and sentenced for any of a long list of serious crimes be ineligible for parole until the person has served the minimum term imposed by the court.

Response: Only between five and ten percent of the prisoners on extended furlough at any given time are on "parole furlough." Further, the parole furlough serves as an important means of easing soon-to-be-released prisoners back into the community.

POSITIONS:

The Department of Corrections supports the substitute bill as reported by the Corrections Committee. (11-6-87)

The Michigan Council on Crime and Delinquency opposes the bill. (11-5-87)