



**House
Legislative
Analysis
Section**

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

**RESTAURANT ACCOUNTS FOR INDIVIDUALS
RECEIVED**

House Bill 4381 as introduced
First Analysis (4-7-87)

MAY 07 1987

Sponsor: Rep. Carl F. Gnodtke
Committee: Liquor Control

Mich. State Law Library

H.B. 4381 (4-7-87)

THE APPARENT PROBLEM:

The Liquor Control Act has a number of exceptions to its general requirement that all sales of alcoholic beverages be for cash. One of these exceptions allows restaurants to extend in-house credit for 30-day periods to professional and industrial accounts. The law thus prevents nonprofessional individuals from having monthly accounts at restaurants. In order to allow people to have restaurant accounts, a definition of "professional" has been proposed that includes all individuals and incorporates current limitations that restrict the use of such accounts to restaurants for 30-day periods.

THE CONTENT OF THE BILL:

The bill would amend the Liquor Control Act to define "professional account" as one by which an establishment extended credit to a person for not more than 30 days; the establishment would be licensed to sell alcoholic beverages for consumption on premises, and its major business would be the sale of food. The bill also would delete an obsolete definition of "citizen" (MCL 436.2d).

FISCAL IMPLICATIONS:

The bill has no fiscal implications for the state.

ARGUMENTS:

For:

The bill would make the liquor law more equitable by allowing restaurants to extend credit to any individual customers they wish, not just those who are considered to be "professionals."

POSITIONS:

The Department of Commerce supports the bill (4-2-87).

The Liquor Control Commission supports the bill (4-3-87).