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BILL ANALYSIS

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**House Bill 4740 (as reported without amendment)****Sponsor:** Representative John D. Pridnia**House Committee:** Liquor Control**Senate Committee:** Regulatory Affairs**Date Completed:** 11-20-87**RATIONALE**

Great Lakes boating enthusiasts, some of whom virtually live on the lakes and related waterways for weeks at a time, depend on marinas for their supplies. Often, however, they cannot find outlets selling beer, wine, and liquor because marinas face obstacles in obtaining off-premises liquor licenses. Marinas no longer are listed among the types of businesses approved in Liquor Control Commission (LCC) rules as eligible for either a beer and wine license or liquor license (although they once were). Another obstacle is LCC rules that generally prohibit granting liquor licenses to businesses that maintain gasoline pumps on or near their premises as do many marinas, although exceptions can be made in municipalities with populations of 3,000 or less. (The gas pump rule is essentially a mechanism for controlling the number of liquor outlets.) Some marinas have licenses now, dating from the time when such establishments were eligible and could get an exception from the gas pump rule based on population or dating from a brief period about 10 years ago when the gas pump policy was inoperative due to legal challenge. Some people believe that it makes sense to allow marinas serving the boating traffic on the Great Lakes to have off-premises liquor licenses for the convenience of boaters.

**CONTENT**

House Bill 4740 would amend the Michigan Liquor Control Act to allow a Great Lakes marina to obtain an off-premises liquor license even if the marina maintained motor vehicle gas pumps. In order to qualify under the bill, the marina's primary business would have to be either the sale of boats or the provision of services and supplies to the types of recreational power cruisers and sailboats that generally travel on the Great Lakes. Also, the fuel pumps would have to be used for dispensing fuel only to those types of boats. The bill would apply to marinas that were situated on one of the Great Lakes, on an inland waterway or tributary that was connected to and navigable to one of the Great Lakes, or on a connecting waterway of the Great Lakes.

Proposed MCL 436.28b

**FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

**ARGUMENTS****Supporting Argument**

The bill simply would allow legitimate marinas serving the Great Lakes and related waterways to be eligible to obtain licenses to sell beer, wine, and liquor to take out. It would not automatically grant licenses to marinas or allow them

to circumvent the licensing process. For many boaters who spend extended periods of time on the lakes, marinas are the principal source of supplies. The bill would give a boost to the State's tourism and help waterfront communities by removing the obstacles that prevent marinas from obtaining take-out liquor licenses.

**Opposing Argument**

Wider availability of alcohol could lead to increased alcohol-related problems for the State. There already is concern about the growing number of alcohol-related boat accidents. In addition, the bill would permit the number of licenses to be increased and would override a State policy against allowing alcohol to be sold where there are gas pumps on the premises.

**Response:** Concern about boat accidents is valid, but not a strong reason to ban marina-based liquor sales altogether. The same line of thought could be used to argue that stores located adjacent to streets should not be permitted to sell alcohol, yet no one is suggesting the State go that far. The number of licenses would not be greatly increased, as the number of marinas in the State is not nearly as large as the number of land-based gasoline stations. Besides, a gas station reportedly can obtain a beer and wine license, as long as the alcoholic products are sold from a different building than is the gasoline (e.g., stations where gasoline sales are made from a booth).

Legislative Analyst: P. Affholter

Fiscal Analyst: L. Burghardt

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

H.B. 4740 (11-20-87)