

Legislative Analysis



SUNDAY SALES AFTER 12 NOON: USE EASTERN TIME ZONE

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House Bill 5500 with House Committee amendment

Sponsor: Rep. Tom Casperson

Committee: Regulatory Reform

First Analysis (3-3-04)

BRIEF SUMMARY: The bill would amend the Michigan Liquor Control Code to specify that the hours during which the sale of alcohol are permitted on Sunday are based on time in the Eastern Time Zone. This would apply even in those parts of Michigan that are on Central time (the Western Upper Peninsula).

FISCAL IMPACT: The bill would have no fiscal impact on the state or on local government.

THE APPARENT PROBLEM:

Under the Michigan Liquor Control Code, Sunday sales of alcohol are permitted between 12 noon and 12 midnight. Four counties in Michigan in the western Upper Peninsular – Dickinson, Gogebic, Iron, and Menominee – are in the Central Time Zone, rather than the Eastern Time Zone like the rest of the state. Businesses in these four counties are said to be at a disadvantage because they cannot begin selling alcohol on Sundays until 1 p.m. Eastern time (noon in the Central Time Zone) while nearby competitors can sell beer, wine, and (if approved by the county) spirits an hour earlier. (Wisconsin allows earlier opening times.) For example, this negatively affects sports bars during football season and particularly when the Green Bay Packers are playing the early Sunday game. One solution to this problem would be to specify that the Sunday alcohol sale times in the code refer to the Eastern Time Zone, which would allow businesses in the Central Time Zone to open at noon Eastern time, which is 11 a.m. Central time.

THE CONTENT OF THE BILL:

The bill would amend the Michigan Liquor Control Code, generally speaking, to specify that sales of alcoholic liquor are permitted beginning 12 noon E.S.T. (Eastern Standard Time) on Sunday. This applies to both on-premises and off-premises sales. It also applies to Sunday sales of spirits and mixed drinks in counties where such sales have been approved.

The bill would add a section to the code specifying that “notwithstanding R 436.1403 of the Michigan Administrative Code, and except as otherwise provided [in the act or under rules of the Liquor Control Commission], 1) an on-premises licensee could not sell, give away, or furnish alcoholic liquor between the hours of 2 a.m. and 7 a.m. on any day or between the hours of 2 a.m. and 12 noon *E.S.T.* on Sunday; and 2) an on-premises licensee could not sell, give away, or furnish spirits between the hours of 2 a.m. and 12

midnight on Sunday, unless issued a Sunday sales permit by the LCC allowing the licensee to sell spirits on Sunday between the hours of 12 noon, *E.S.T.*, and 12 midnight. For the purposes of Rule 436.1403, 12 noon on Sunday is considered 12 noon on Sunday, *E.S.T.*, for any licensee located in the Central Time Zone.

(The bill also would only allow the on-premises sales of spirits until 12 midnight, *E.S.T.* on Sunday. However, licensees could sell alcoholic liquor after midnight until 2 a.m., using their own time zones, since then it would be Monday morning.)

MCL 436.2113

ARGUMENTS:

For:

Allowing establishments throughout the Upper Peninsula to begin serving alcoholic beverages simultaneously is simply a matter of fairness, say proponents. The law currently does not allow alcohol to be sold, for off-premises or on-premises consumption, until noon on Sundays. By specifying that this means noon *Eastern time*, the bill will allow U.P. stores, bars, and restaurants located in the Central Time Zone to open at 11 a.m. (although the bill aims at providing an earlier Sunday closing time for them as well). Currently, proponents say, U.P. businesses in the counties of Dickinson, Gogebic, Iron, and Menominee are at a competitive disadvantage compared to their neighbors in Wisconsin and their neighbors in Michigan's Eastern Time Zone counties. To cite a popular example, on Sundays when the Green Bay Packers are playing, fans choosing a sports bar or restaurant are seen as more likely to select establishments with the earliest serving hours. The bill would help businesses in Michigan's Central Time Zone compete.

POSITIONS:

The Michigan Licensed Beverage Association has indicated support for the bill as amended. (2-24-04)

The Michigan Restaurant Association has indicated support for the bill as amended. (2-24-04)

The Michigan Liquor Control Commission is neutral on the bill. (2-24-04)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.