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BILL



ANALYSIS

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Senate Bill 100 (Substitute S-3 as passed by the Senate)
Sponsor: Senator Rick Jones
Committee: Regulatory Reform

(as enrolled)

Date Completed: 2-28-11

RATIONALE

Public Act 213 of 2010 amended the Michigan Liquor Control Code to make a number of revisions to the State's regulation of the sale of alcohol, including authorizing licensees to obtain a permit for the sale of beer, wine, and spirits on Sunday mornings between the hours of 7 a.m. and 12 noon. Previously, Sunday liquor sales were authorized only between 12 noon on Sunday and 2 a.m. on Monday, though local units could prohibit the sale of alcohol on Sundays. With the passage of Public Act 213, it had been suggested that local units also should be allowed to prohibit Sunday morning sales, but the 2010 revisions provide for local units to opt out of sales only between 7 a.m. on Sunday and 2 a.m. on Monday. Some people believe that the Code's opt-out provisions should allow local units to prohibit the sale of alcohol either all day on Sunday *or* just on Sunday mornings.

CONTENT

The bill would amend the Michigan Liquor Control Code to allow local units of government to prohibit the sale of alcohol between the hours of 7 a.m. and 12 noon on Sunday or between the hours of 7 a.m. on Sunday and 2 a.m. on Monday.

The bill specifies that any prohibitions on the sale of beer and wine or alcoholic liquor between 7 a.m. and 12 noon on Sunday, or between 7 a.m. on Sunday and 2 a.m. on Monday, adopted by a county, city, village, or township before the bill's effective date would remain in effect.

Sunday Sale of Beer & Wine

Currently, the sale of beer and wine between the hours of 7 a.m. on Sunday and 2 a.m. on Monday is allowed, but may be prohibited in any county, city, village, or township by a majority vote of the local unit's legislative body or a majority vote of the electors voting on a petition at a regular State election.

Under the bill, the sale of beer and wine between 7 a.m. on Sunday and 2 a.m. on Monday would be allowed, but a county, city, village, or township could prohibit the sale of beer and wine between the hours of 7 a.m. and 12 noon on Sunday *or* between the hours of 7 a.m. on Sunday and 2 a.m. on Monday by a majority vote of either the local unit's legislative body or the electors voting on a petition.

The Code contains petition and ballot requirements for electors to vote on the question of Sunday sales of beer and wine. Under the bill, those requirements would apply to the Sunday morning sale of beer and wine between 7 a.m. and 12 noon, or to the sale of beer and wine between 7 a.m. on Sunday and 2 a.m. on Monday.

Sunday Sale of Spirits & Mixed Spirit Drink

Under the Code, spirits and mixed spirit drink may be sold after 7 a.m. on Sunday, in a licensed establishment in which the gross receipts derived from sale of food and other goods and services exceed 50% of the total gross receipts, except in a county where the sale of spirits and mixed spirit drink for on-premises consumption on Sunday has been

prohibited either by resolution approved by a majority of the legislative body or the electors. Similarly, spirits and mixed spirit drink may be sold after 7 a.m. on Sunday, in a licensed retail establishment, except in a county where their sale for off-premises consumption on Sunday has been prohibited by the legislative body or by the electors.

Under the bill, these provisions would allow the sale of spirits and mixed spirit drink for on-premises or off-premises consumption on Sunday except in a county where the sale was prohibited between 7 a.m. and noon on Sunday or between 7 a.m. on Sunday and 2 a.m. on Monday.

The Code contains petition and ballot requirements for electors to vote on the question of Sunday sales of spirits and mixed drink. Under the bill, those requirements would apply to the Sunday morning sale of spirits and mixed drink between 7 a.m. and noon, or to the sale of spirits and mixed drink between 7 a.m. on Sunday and 2 a.m. on Monday.

County with Motorsports Entertainment Complex

Under the Code, the sale of beer and wine or spirits and mixed spirit drink in any county between 7 a.m. on Sunday and 2 a.m. on Monday may not be prohibited as applied to a motorsports entertainment complex located in more than one county if a resolution or referendum fails to pass in one county but passes in another. In that circumstance, the Liquor Control Commission must determine the issue of the sale of beer and wine or spirits and mixed drink in the complex between 7 a.m. on Sunday and 2 a.m. on Monday.

Under the bill, these provisions would apply relative to the sale of beer and wine or spirits and mixed drink either between 7 a.m. and noon on Sunday or between 7 a.m. on Sunday and 2 a.m. on Monday.

Prohibition on Sales Between 2 a.m. & 7 a.m.

The Code prohibits an on-premises or off-premises licensee from selling, giving away, or furnishing alcoholic liquor between the hours of 2 a.m. and 7 a.m. on any day, and specifies that this provision does not prevent any local unit from prohibiting the sale of

beer and wine or sprits and mixed spirit drink on Sundays. The bill would refer to sales between 7 a.m. and 12 noon on Sunday or between 7 a.m. on Sunday and 2 a.m. on Monday.

MCL 436.2111 et al.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

When Public Act 213 of 2010 amended the Michigan Liquor Control Code to authorize licensees who obtain a special permit to sell beer, wine, and spirits on Sunday between 7 a.m. and noon, many believed that local units of government would have the ability to opt out of allowing the Sunday morning sale of alcohol. The Code, however, allows local units to prohibit alcohol sales only between the hours of 7 a.m. on Sunday and 2 a.m. on Monday. Consequently, under the language of the statute, a local unit may ban alcohol sales on Sunday mornings only if it prohibits sales all day on Sunday. Some communities would like to prohibit the Sunday sale of alcohol only in the mornings, but not all day, and the Liquor Control Commission has been recognizing those local units that have chosen to opt-out of Sunday morning sales. By amending the Code to allow local units to prohibit Sunday sales either between 7 a.m. and noon or between 7 a.m. on Sunday and 2 a.m. on Monday, the bill would codify this practice and accomplish what many thought had been done in Public Act 213.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

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

Fiscal Analyst: Josh Sefton

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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.