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STATE OF MICHIGAN
LIQUOR CONTROL COMMISSION
SEMI-ANNUAL PUBLIC HEARING

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Proceedings had in the above-entitled case before Chairman Andrew J. Deloney, Commissioner Teri L. Quimby, Commissioner Edward Clemente, held at the offices of the Michigan Liquor Control Commission Southfield District Office, 25680 West Eight Mile Road, Southfield, Michigan, on Thursday, June 7, 2018.

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C O N T E N T S

SPEAKERS:

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Mike Tobias, MI Coalition to Reduce Underage Drinking	4
Nancy Morrison, Exec. Dir. Troy Community Coalition	7
Tony Mitchell, MSA	13

IN ATTENDANCE:

Michael Brown, Attorney, Carlin Edwards Brown
Steve Grobbel, Attorney, Carlin Edwards Brown
Jason Canvasser, Attorney, Clark Hill PC
Brian Pizzuti, RNDC
Melea T. Bullock, Coordinator, Ingham Substance Awareness & Prevention (ISAP) Coalition
Maureen Smith Prevention Specialist, ISAP
Joe Cekola, Pres. Imperial Beverage
Kevin Schaller, " "
Michael Vallia, GM, " "

1 Southfield, Michigan

2 Thursday, June 7, 2018 - 1:06 p.m.

3 CHAIRMAN DELONEY: We will call this meeting
4 to order.

5 The Commission welcomes you to the first of
6 our Semi-Annual Public Hearings of 2018, as required by
7 Section 215(2), Act No. 58 of the Public Acts of 1998,
8 as amended. We do have a quorum present. To my left
9 is Commissioner Clemente, to my right Commissioner
10 Quimby, and of course I'm Commissioner Deloney.

11 This hearing is being reported by our
12 reporter, Renette Gibson, so please, for those of you
13 who have indicated a desire to speak, please state your
14 name and the organization in which you represent. This
15 would be a great help to her as well as to us, and if
16 you have any questions or comments of a specific nature
17 to say regarding a specific license application or
18 things of that nature, you may wish to approach us
19 personally after the hearing is concluded.

20 With that, we have received several cards,
21 some of which have not indicated a desire to speak;
22 I'll just indicate those folks real quickly. First
23 Brian Pizzuti, Republic National of Michigan, good
24 afternoon; Michael Brown with Carlin, Edwards and
25 Brown, good afternoon; Steve Grobbel also with Carlin,

1 Edwards and Brown; and Jason Canvasser, attorney, Clark
2 Hill, good afternoon.

3 With that we have a couple of folks who have
4 indicated a desire to speak; so I'll ask you to come
5 forward to the stand over here, and again speak clearly
6 to us so that we can hear as well as our reporter.

7 We'll start with Mike Tobias.

8 MR. TOBIAS: Good afternoon Commissioners. I
9 have a few handouts here, if you don't mind.

10 Good afternoon. My name is Mike Tobias. I
11 represent the Michigan Coalition to Reduce Underage
12 Drinking. I really appreciate the opportunity to talk
13 to you guys today for a few, minutes. I won't belabor
14 the point about the half mile rule, because I know it's
15 been discussed a lot in the last year and-a-half or so,
16 but I was disappointed with the Commission's actions on
17 that issue. I did want to give you a handout from the
18 MDHHS. So it's my point, the only reason we're
19 concerned about this issue is we think it relates to
20 alcohol density issue and according to research from
21 The Community Guide, there's evidence that support
22 regulating the number of alcohol outlets in a specific
23 area and the public health benefits. It goes on to
24 give more specific research about alcohol outlet
25 density.

1 The other thing that I wanted to talk about
2 is, there's a couple of bills, I'm sure you're aware
3 of, at least one bill that's pending on alcohol sales
4 from 2:00 a.m. to 4:00 a.m. I know that's not a
5 decision actually that the Commission will make, it's a
6 legislative bill, but again according to public health
7 research, that could be a problem for public health and
8 safety. It talks about increases in automobile crashes
9 and different things like that. I note the Commission
10 sometimes take positions on the bills, so if you guys
11 do have an opportunity to take a position on that bill
12 of the 2:00 a.m. to 4:00 a.m. sales, I hope you kind of
13 consider that information; could you do that?

14 I do appreciate everything you guys do for
15 the State of Michigan. You guys have a tough job.
16 It's hard to balance public health aspects, commercial
17 aspects. I want to thank you guys also. Most of you
18 have been very good about taking meetings when
19 requesting meetings; I do appreciate that. I do think
20 that the staff does a wonderful job. I know that it
21 seems like anecdotally there's been more perhaps
22 suspensions or maybe even revocations of licenses
23 retail for who are not following the rules, and if
24 that's the case, I appreciate that because its feels
25 like there's so many outlets out there, that's one way

1 to kind of reel in, to kind of penalize the bad actors,
2 people who aren't following the rules. So I appreciate
3 that.

4 If you have any questions, I'll try to
5 answer. Thank you for the good job you're doing.

6 CHAIRMAN DELONEY: Thank you Mr. Tobias.
7 With regard to this legislation, I'm not aware of this
8 bill; no one's approached me, no legislature, no group
9 that maybe advocating for an expansion of hours, no one
10 has approached me.

11 COMMISSIONER CLEMENTE: I saw it in Gongwer.

12 CHAIRMAN DELONEY: Was there something in
13 Gongwer?

14 COMMISSIONER CLEMENTE: Yeah, I read about
15 it.

16 MR. TOBIAS: I believe it's Senate Bill 901,
17 902. It's a very specific area of Detroit extending
18 the sales from 2:00 a.m. to 4:00 a.m. Again, the only
19 reason we're really concerned about public health
20 aspect is we're concerned that there could be more
21 motor vehicle crashes and injuries.

22 CHAIRMAN DELONEY: Appreciate it. We'll
23 certainly take a look at that.

24 MR. TOBIAS: Thanks.

25 CHAIRMAN DELONEY: Next we have Nancy

1 Morrison.

2 MS. MORRISON: Good afternoon Commissioners.
3 I'm Nancy Morrison and I represent the Troy Community
4 Coalition for The Prevention of Drugs and Alcohol
5 Abuse, and alcohol, of course, is the most abused
6 substance for our youth; and I have the data to share
7 with you.

8 This is data from the Michigan Profile for
9 Healthy Youth. It is administrated all across
10 Michigan, and I'm sharing with you our Troy data and
11 it's hot off the press. It's 2018 data. I just
12 received it, I think, a week ago.

13 So the question asked, are you or have you
14 used alcohol in the past 30 days? 11th graders who
15 responded said 34.6 percent of our 11th graders said
16 yes they had used alcohol in the past 30 days, and I
17 will be comparing that to our 2016 data in 11th
18 graders, and 23 percent back then said that they used.
19 So that was an increase of 11.6 percent.

20 CHAIRMAN DELONEY: I'm sorry, from over what
21 period was the increase?

22 MS. MORRISON: The last one was 2016, the new
23 data is 2018, so two years.

24 The next question I wanted to share that was
25 asked was in regards to if it's easy or very easy to

1 obtain alcohol? And 11th graders said, 71.1 percent of
2 our 11th graders reported that yes, it was very easy or
3 easy to obtain alcohol. Compare that to our 2016 data,
4 and that was 65.5 percent. So again another increase,
5 and this was an increase of 5.7 percent.

6 Then they asked average age of first alcohol
7 use? So our 2018 data with our 11th graders they
8 reported that they were 13.8 years old. And then I
9 look at our 2016 data and compare that to our 11th
10 graders that again they report that they were 14.2
11 years old. So they're getting younger and younger, and
12 of course I'm very concerned because my hearts is
13 always at helping our youth.

14 Some other information that I wanted to
15 share, again this is the data. It says percentage of
16 students who rode in a car or other vehicle driven by
17 someone who had been using alcohol one or more times in
18 the past 30 days? So 11th graders in 2018 reported
19 that 17.9 percent of them will get in a car with
20 somebody who has been drinking. Then I compared that
21 to our 2016 data where only 8.8 percent said that they
22 would get into a car. Again the numbers are climbing.

23 A little bit more in regard to -- we're
24 finding out that they are drinking alcohol in another
25 person's home. So they're not necessarily telling us

1 where they're getting it, but they are drinking it at
2 another person's home. So maybe they are getting it at
3 a friend's house when parents aren't there; but they
4 also report that they do buy from stores or gas
5 stations, and that's 5.1 percent.

6 CHAIRMAN DELONEY: I'm sorry, what percent?

7 MS. MORRISON: 5.1 percent say they do get it
8 from a store or a gas station, and the Troy coalition
9 is very diligent visiting the alcohol retailers in
10 Troy, and providing them with educational materials to
11 prevent the sale of alcohol to minors. I know that the
12 gas stations, some of them have received their SDM
13 liquor license, and two of them have violations. So
14 that's very disappointing to me that the gas stations
15 who we did really not want to get the liquor license,
16 has sold to minors. So we know that availability,
17 access, that, of course, when it is readily available
18 for youth, they're going to try and obtain.

19 So again please think about our youth when
20 you are working. I appreciate all that you have done
21 but please continue to think about our youth, and if we
22 could limit the number of liquor licenses or the number
23 of SDM licenses at our gas stations, I'd greatly
24 appreciate that.

25 Any comments or questions?

1 COMMISSIONER CLEMENTE: Yes I got a question.

2 CHAIRMAN DELONEY: Commissioner Clemente.

3 COMMISSIONER CLEMENTE: So it's called Troy,
4 but you said you're tri-county?

5 MS. MORRISON: No, Troy Community Coalition.

6 COMMISSIONER CLEMENTE: Just the one city?

7 MS. MORRISON: Yes.

8 CHAIRMAN DELONEY: These were done just for
9 City of Troy?

10 MS. MORRISON: In the Troy School District.

11 COMMISSIONER CLEMENTE: Is there ever larger
12 projections that you work with other groups that you
13 look at in a more macroscale for the state?

14 MS. MORRISON: Well, I know that a lot of
15 other cities use the Michigan Profile For Healthy Youth
16 in their schools as well. I don't have that data, I
17 only have the Troy data.

18 COMMISSIONER CLEMENTE: And are you guys
19 preparing, either way on the campaign for, like,
20 recreational marijuana? I think it's official now;
21 it's going to go on the ballot.

22 MS. MORRISON: It is.

23 COMMISSIONER CLEMENTE: So are you guys
24 already figuring out how you're going to work with
25 that?

1 MS. MORRISON: We have been working on that,
2 yes.

3 COMMISSIONER CLEMENTE: I just wonder if
4 there's a coalition of people that would be working to
5 either oppose or make sure it follows the same
6 restrictions as alcohol. I know the big problem -- we
7 were at NABCA, they were talking about it's not a real
8 good test to find out if someone's driving under the
9 influence like they do for PBTs and things like that.

10 MS. MORRISON: Yes we have been partnering
11 with other coalitions in Oakland, Macomb and Wayne
12 Counties to address the recreational marijuana issues.

13 COMMISSIONER CLEMENTE: Okay, that's all I
14 have.

15 CHAIRMAN DELONEY: With regard to gas
16 stations -- first thing of course, I would point out is
17 that to create a limitation of the number of licenses,
18 that requires an act of the legislature, it is not
19 something the Commission can do; we don't have the
20 authority to do that, it is set by state law.

21 The second thing I would point out is that,
22 for the first time there now is, because of that same
23 legislative act that allowed for or got rid of the
24 minimum inventory for gas stations, there now is a
25 quota and a cap on the number of SDM licenses where

1 there had not been one before. So there is now a cap
2 and in many parts of the state we hear this rather
3 frequently that there are no more new unissued SDM
4 licenses available because in that particular local
5 governmental unit, there are -- all the licenses have
6 been exhausted. So I just wanted to point that out.

7 MS. MORRISON: Does that mean that we would
8 not allow anymore in Troy?

9 CHAIRMAN DELONEY: Well, licenses can be
10 transferred anywhere in the county once they're issued,
11 by state law. Again, that's a creature of state law;
12 this is not a Commission policy. I think some have
13 tried to state that the Commission allowed licenses to
14 be transferred anywhere in the county; no, that has
15 been an act of the legislature that allowed that to
16 happen, but there is, as there has been for class C
17 licenses, for SDD or the spirits retail licenses, where
18 those have been and continue to be subject to a quota,
19 there is now a quota and a cap on an SDM licenses. So
20 I wanted to make you aware of that.

21 MS. MORRISON: Thank you so much. Anything
22 else?

23 CHAIRMAN DELONEY: No.

24 Do you have a copy? Can you --

25 MS. MORRISON: I can e-mail that to you. I

1 would be happy to.

2 CHAIRMAN DELONEY: If you could, that would
3 be helpful. I was writing down notes pretty quickly
4 here. So if you could share that with us
5 electronically, that would be helpful.

6 MS. MORRISON: Greatly appreciate it. Thank
7 you for all you do. Just remember, help us protect our
8 youth.

9 CHAIRMAN DELONEY: Thank you.

10 Next we have Tony Mitchell.

11 MR. MITCHELL: Hello Commissioners. Thank
12 you. Please excuse my voice; I'm getting over
13 laryngitis this week.

14 It's been my privilege to lead the Michigan
15 Spirits Association as the President over the past two
16 years. The members of the Michigan Spirits Association
17 represents over 90 percent of all of the spirits
18 available in the state. They can be found on retail
19 shelves and/or at bars or restaurants. Through the
20 sales of spirits in the state, our industry contributes
21 over 400 million dollars a year to the state and that's
22 used for many programs and benefits for the citizens of
23 the state. While this represents a significant benefit
24 for the state, we recognize that the Commission has to
25 walk a fine line daily in support in allowing the

1 growth of spirit sales in the state while assuring the
2 safety, health and welfare of the citizens of this
3 state. While anyone can easily find current articles
4 or studies that can support both sides of the argument
5 over the health benefits of consuming alcoholic
6 beverages, I'm not here to defend either side of that
7 argument today, but rather to compliment the fine job
8 the Commission does in balancing that argument by
9 supporting, allowing the growth of spirit sales in the
10 state, while assuring the safety, health and welfare of
11 the citizens of the state.

12 On behalf of the Michigan Spirits Association
13 and all its members, I want to thank the Commissioners
14 for outstanding work and the ability to consider the
15 concerns of all in the alcoholic beverage industry in
16 the state, establishing an environment for the
17 continuing of the growth of the spirit sales in the
18 state. With the health and welfare of the citizens at
19 the forefront of all decisions, the MSA would like its
20 continued support in working with the Commission with
21 responsibility and the health and the welfare of the
22 citizens of the state as a priority in everything we
23 do. Thank you.

24 CHAIRMAN DELONEY: Thank you.

25 That was the last card that anyone has

1 submitted indicating a desire to speak. Is there
2 anybody else in the audience who wishes to speak while
3 we're still on the record?

4 Hearing none. Any Commissioners that have
5 any comments or questions while we're on the record?

6 Commissioner Quimby.

7 COMMISSIONER QUIMBY: I'd just like to thank
8 everybody who's here today, taking time out of your
9 schedules, your very busy schedules to come to our
10 public hearing today. Thank you.

11 CHAIRMAN DELONEY: Thank you Commissioner
12 Quimby for stating that. Your comment reminds me of,
13 it wasn't long ago that I was responding to a question
14 from a legislature who approached me on behalf of a
15 constituent who asked if they could get a hearing in
16 front of the Commission to discuss a license
17 application? I said they don't need a hearing. We
18 have open meetings four days a week, anyone is welcome
19 to attend, and if they wanted to speak to us about
20 whether it's a license application or any particular
21 matter, they certainly can ask to do so. So we
22 appreciate that folks have taken their time out of
23 their schedules to be here today. We wish you all a
24 very happy and healthy summer. Again, we will see
25 everyone again at the second of our semiannual public

1 hearings later this year.

2 With that, if there's nothing else here on
3 the record, I'll entertain a motion to adjourn.

4 COMMISSIONER CLEMENTE: Make a motion to
5 adjourn.

6 CHAIRMAN DELONEY: Commissioner Clemente
7 moves to adjourn. Is there support?

8 COMMISSIONER QUIMBY: Support.

9 CHAIRMAN DELONEY: Supported by Commissioner
10 Quimby.

11 Any discussions?

12 Hearing none. All in favor indicate by
13 saying aye.

14 (Unanimous vote.)

15 CHAIRMAN DELONEY: The ayes have it.

16 We are adjourned.

17 (Record concluded at 1:23 p.m.)

1 * * *

2 I HEREBY CERTIFY that I reported
3 stenographically, the foregoing testimony and
4 proceedings on the date and place hereinbefore set
5 forth; that the same was later reduced to
6 typewritten form, and that the foregoing is a true,
7 full and correct transcript of my stenographic
8 notes so taken.

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13 _____
14 Renette L. Gibson, CSR-2731

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16 June 11, 2018
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