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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**IN ATTENDANCE:**

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Southfield, Michigan

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

CHAIRMAN DELONEY: We will call this meeting to order.

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

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

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

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

We'll start with Mike Tobias.

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

Good afternoon. My name is Mike Tobias. I represent the Michigan Coalition to Reduce Underage Drinking. I really appreciate the opportunity to talk to you guys today for a few, minutes. I won't belabor the point about the half mile rule, because I know it's been discussed a lot in the last year and-a-half or so, but I was disappointed with the Commission's actions on that issue. I did want to give you a handout from the MDHHS. So it's my point, the only reason we're concerned about this issue is we think it relates to alcohol density issue and according to research from The Community Guide, there's evidence that support regulating the number of alcohol outlets in a specific area and the public health benefits. It goes on to give more specific research about alcohol outlet density.
The other thing that I wanted to talk about is, there's a couple of bills, I'm sure you're aware of, at least one bill that's pending on alcohol sales from 2:00 a.m. to 4:00 a.m. I know that's not a decision actually that the Commission will make, it's a legislative bill, but again according to public health research, that could be a problem for public health and safety. It talks about increases in automobile crashes and different things like that. I note the Commission sometimes take positions on the bills, so if you guys do have an opportunity to take a position on that bill of the 2:00 a.m. to 4:00 a.m. sales, I hope you kind of consider that information; could you do that?

I do appreciate everything you guys do for the State of Michigan. You guys have a tough job. It's hard to balance public health aspects, commercial aspects. I want to thank you guys also. Most of you have been very good about taking meetings when requesting meetings; I do appreciate that. I do think that the staff does a wonderful job. I know that it seems like anecdotally there's been more perhaps suspensions or maybe even revocations of licenses retail for who are not following the rules, and if that's the case, I appreciate that because its feels like there's so many outlets out there, that's one way
to kind of reel in, to kind of penalize the bad actors, people who aren't following the rules. So I appreciate that.

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

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

COMMISSIONER CLEMENTE: I saw it in Gongwer.

CHAIRMAN DELONEY: Was there something in Gongwer?

COMMISSIONER CLEMENTE: Yeah, I read about it.

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

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

MR. TOBIAS: Thanks.

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

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

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

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

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

The next question I wanted to share that was asked was in regards to if it's easy or very easy to
obtain alcohol? And 11th graders said, 71.1 percent of our 11th graders reported that yes, it was very easy or easy to obtain alcohol. Compare that to our 2016 data, and that was 65.5 percent. So again another increase, and this was an increase of 5.7 percent.

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

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

A little bit more in regard to -- we're finding out that they are drinking alcohol in another person's home. So they're not necessarily telling us
where they're getting it, but they are drinking it at another person's home. So maybe they are getting it at a friend's house when parents aren't there; but they also report that they do buy from stores or gas stations, and that's 5.1 percent.

CHAIRMAN DELONEY: I'm sorry, what percent?

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

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

Any comments or questions?
COMMISSIONER CLEMENTE: Yes I got a question.

CHAIRMAN DELONEY: Commissioner Clemente.

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

MS. MORRISON: No, Troy Community Coalition.

COMMISSIONER CLEMENTE: Just the one city?

MS. MORRISON: Yes.

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

MS. MORRISON: In the Troy School District.

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

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

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

MS. MORRISON: It is.

COMMISSIONER CLEMENTE: So are you guys already figuring out how you're going to work with that?
MS. MORRISON: We have been working on that, yes.

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

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

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

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

The second thing I would point out is that, for the first time there now is, because of that same legislative act that allowed for or got rid of the minimum inventory for gas stations, there now is a quota and a cap on the number of SDM licenses where
there had not been one before. So there is now a cap and in many parts of the state we hear this rather frequently that there are no more new unissued SDM licenses available because in that particular local governmental unit, there are -- all the licenses have been exhausted. So I just wanted to point that out.

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

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

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

CHAIRMAN DELONEY: No.

Do you have a copy? Can you --

MS. MORRISON: I can e-mail that to you. I
would be happy to.

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

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

CHAIRMAN DELONEY: Thank you.

Next we have Tony Mitchell.

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

It's been my privilege to lead the Michigan Spirits Association as the President over the past two years. The members of the Michigan Spirits Association represents over 90 percent of all of the spirits available in the state. They can be found on retail shelves and/or at bars or restaurants. Through the sales of spirits in the state, our industry contributes over 400 million dollars a year to the state and that's used for many programs and benefits for the citizens of the state. While this represents a significant benefit for the state, we recognize that the Commission has to walk a fine line daily in support in allowing the
growth of spirit sales in the state while assuring the safety, health and welfare of the citizens of this state. While anyone can easily find current articles or studies that can support both sides of the argument over the health benefits of consuming alcoholic beverages, I'm not here to defend either side of that argument today, but rather to compliment the fine job the Commission does in balancing that argument by supporting, allowing the growth of spirit sales in the state, while assuring the safety, health and welfare of the citizens of the state.

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

CHAIRMAN DELONEY: Thank you.

That was the last card that anyone has
submitted indicating a desire to speak. Is there
anybody else in the audience who wishes to speak while
we're still on the record?

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

Commissioner Quimby.

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

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

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

COMMISSIONER CLEMENTE: Make a motion to
adjourn.

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

COMMISSIONER QUIMBY: Support.

CHAIRMAN DELONEY: Supported by Commissioner
Quimby.

Any discussions?

Hearing none. All in favor indicate by

saying aye.

(Unanimous vote.)

CHAIRMAN DELONEY: The ayes have it.

We are adjourned.

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

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

__________________________
Renette L. Gibson, CSR-2731

June 11, 2018