

# Extended Bar Hours: Dangers for States, Cities, & Communities



## The Problem

In the last few years, states have introduced legislation to allow on-premises alcohol retailers to remain open beyond current closing times. Typically, retailers seeking extended hours are bars with closing times of 2:00 a.m. Developers, the hospitality and alcohol industries, and some legislators tout this type of change in alcohol regulation as a boon for economic development and tax revenue, but the evidence shows otherwise. This policy change will likely increase alcohol-related harm and burden local communities with costs from responding to that harm. Extending bar hours raises public safety concerns, endangers public health, and pits law enforcement and communities against the well-resourced industries that stand to profit from increasing alcohol availability.

## Public Health Concerns

The findings from domestic and international scientific studies are clear: extending hours of alcoholic beverage sales increases alcohol-related harm.<sup>1</sup> Expanding to later closing times and removing restrictions on hours of sale is associated with increases in alcohol consumption and related problems, including violence, emergency room admissions, injuries, fighting, alcohol-impaired driving, and motor vehicle collisions.<sup>2, 3, 4</sup>

Extended closing hours may contribute to an increased incidence of assaults due to increases in drinking or factors associated with more bar patrons.<sup>5</sup> Alcohol-related violence that may be experienced includes physical assault, robbery, sexual assault, and child abuse.

As for motor vehicle collisions, while increased intoxication likely plays a role, increasing hours in only some jurisdictions may result in higher rates of motor vehicle crashes, as consumers will travel from a jurisdiction with fewer hours to one with greater hours.<sup>6</sup> Later closing times may also mean that intoxicated drivers are on the road when drivers begin their morning commutes.

## Enforcement Concerns

Extending bar hours results in an increase in a host of alcohol-related problems that will require adequate law enforcement response and place an increased burden on local agencies. Increases in demand for response impact the time and resources that law enforcement can devote to respond to other problems. Local law enforcement will most commonly handle the response, since many of the problems occur on the streets and in the neighborhoods where bars are located, further burdening already-stretched budgets.

Even a minor extension of bar hours can have a visible fiscal impact on local law enforcement. Cape Coral, Florida recently considered extending closing times for eight bars two nights a week, from 2:00 a.m. to 4:00 a.m. For this proposed extension of operation, a total of four hours per bar, per week, the city police department estimated its increased enforcement costs to be approximately \$120,000.<sup>7</sup> In a community of only 165,000 residents, this estimate represents a significant outlay of funds that will benefit a select few.

## Community Concerns

Later closing times will negatively impact local finances and residents' quality of life. Later closing times for bars results in communities bearing the burden of increased costs to local government. Increased needs for law enforcement will be accompanied by increased demand for safety personnel responding to alcohol-related problems. While later closing times may result in increased business for the bars, much of the tax revenue generated will flow to the state. Moreover, any increased license fees that may be imposed on on-premises retailers seeking to remain open will likely not offset these increased costs. In states where expanded bar hours have been proposed, findings made as part of the legislative process have repeatedly found that local communities would not experience a positive fiscal impact.

Extending hours will have a negative impact on residents' quality of life due to increased traffic, noise, litter, graffiti, and public urination. While extended hours may stagger when patrons leave a bar, it also provides all bar patrons more time to consume alcohol. Extended bar hours mean communities will face bar patrons that are more heavily intoxicated for an even wider range of time. For residents, especially those located near on-premises retailers, this will only further negatively impact their quality of life.

## Political Concerns

Big players, including the hospitality industry, late-night /downtown coalitions, the alcohol industry, and individual politicians, stand to gain from extending bar hours. While all of these interests are likely to benefit either directly (e.g. profits, taxes) or indirectly (e.g. political contributions) from increased alcohol sales, benefits are far-removed from residents, families, and youth in local communities.

Across the country, lobbyists representing those that profit from the sale of alcohol push state legislators to loosen the laws restricting the hour of sales for on-premises retailers. Often these interest groups come from outside the state, fronted by local businesses. Their message remains focused on promises of vibrant nightlife (tax revenue, jobs, revitalization), not the problems resulting from the extended hours and more available alcohol. However, local communities can successfully oppose these empty promises when armed with data showing the true impact of increased alcohol availability and extended hours.

## State Legislation

Described below are examples of bills proposed by state legislatures seeking to extend operating hours for on-premises alcohol retailers beyond existing closing times.

### **MASSACHUSETTS SENATE BILL 161 AND HOUSE BILL 161 (2015)**

SB 161 and HB 161 both propose permitting the extending of hours that alcohol may be sold by on-premises licensees. Presently, alcohol cannot be sold by on-premises licensees between the hours of 2:00 a.m. and 8:00 a.m. The proposed change would allow the local governing body in a city or town that is serviced by the Massachusetts Bay Transportation Authority (MBTA) to choose to extend hours of operation beyond 2:00 a.m. for on-premises licensees. Given the reach of the MBTA in the greater Boston area, it is unclear how many communities this legislative change could impact.

### **MICHIGAN SENATE BILL 48 (2015) AND SENATE BILL 247 (2014)**

SB 48 (2015) seeks to extend bar hours and entirely mirrors SB 247, a 2014 bill that failed to pass. SB 247 would have allowed extension of business hours for on-premises retailers in a central business district to sell alcohol from 2:00 a.m. to 4:00 a.m. Retailers would have been required to receive an extended hours permit. The Senate fiscal analysis for SB 247 could not conclude the extension of hours would have a positive fiscal impact for local government, despite 85% of the \$10,000 extended permit fees dedicated to local enforcement efforts. On this point the bill summary stated:

The proposed Extended Hours Permit Fund would receive all revenue from the \$10,000 annual extended hours permit fees. The Fund would be distributed such that...local police departments would receive \$8,500... This revenue would be offset to an extent by the probable need for increased police presence between 2:00 a.m. and 4:00 a.m. in the areas where extended hours permit holders would be located. It is unknown whether the additional revenue from permits would exceed the cost of additional police presence, so the fiscal impact on local governments is indeterminate.

### **CALIFORNIA SENATE BILL 635 (2013)**

In 2013, the California legislature considered and failed to pass a bill seeking to extend bar hours. SB 635 would have permitted the Department of Alcoholic Beverage Control to authorize on-premises licenses to extend closing time from 2:00 a.m. until 4:00 a.m. The bill required that local government develop plans and make specific findings before the on-premises retailers could apply and receive extended hours.

The analysis of SB 635 by the California Senate succinctly describes who truly stands to benefit from extending bar hours. It reads in part:

**Arguments in Support:** ...Proponents contend that SB 635 would enable certain California cities to compete with other world-class cities in attracting tourists, conventions and conferences from around the world. Additionally, proponents emphasize that social and nightlife venues are an economic driver in many communities and they reference the fact that the State's food service and entertainment industry generates billions of dollars in consumer spending and employs well over a million workers making these sectors an indisputable driving force in the State's economy.

**Arguments in Opposition:** Opponents raise numerous health and safety concerns and believe SB 635 will lead to: unintended consequences, quality of life deterioration for adjacent neighborhoods, drinkers driving from areas where bars close earlier to bars with later last calls, late night drinkers sharing the road with early morning commuters, increased DUI accidents and fatalities, and limited budgets and personnel to deal effectively with the extra service calls. Also, opponents cite evidence that shows that two more hours of alcohol sales will nearly double alcohol-related violence, crime, police calls, emergency visits, etc....

### **COLORADO HOUSE BILL 1132 (2014)**

In 2014, the Colorado legislature considered and failed to pass HB 1132. The bill would have permitted a local governing body to determine the hours that alcohol could be served for on-premises consumption. While a local government could shorten the hours, it also meant that they could extend service past 2:00 a.m. to 4:30 a.m. The Colorado Legislative Council fiscal note on the local impact found that:

Local liquor enforcement costs could decrease if a jurisdiction reduces hours, or increase if a jurisdiction extends allowable hours of operation. Costs and savings under the bill depend on a local government choosing to set specific hours for alcohol sales.

### **Bottom Line**

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While state proposals to extend hours for on-premises licensees may be worded to leave the decision to individual cities, such a choice is a false one. Extending bar hours will result in increased alcohol-related harm and more expenses to local government, the transportation system, and regional or state highway patrol, with the ultimate burden falling on the communities where hours are expanded. Instead, policymakers should continue to maintain existing limits on hours of alcohol sales.

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## References

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