



**House  
Legislative  
Analysis  
Section**

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**COMMUNITY THEATER LIQUOR LICENSE**

House Bill 4457 as introduced  
First Analysis (4-12-89)

**RECEIVED**

Sponsor: Rep. Burton Leland  
Committee: Liquor Control

MAY 23 1989  
Mich. State Law Library

**THE APPARENT PROBLEM:**

Representatives of community theater groups are seeking the creation of a special kind of annual liquor license that would allow them to serve alcohol in connection with their theatrical productions. There is demand for this from their patrons, theater managers say, and the profits from alcohol sales would provide a new source of earned income at a time when corporate contributions are decreasing. Currently, community theaters must suffer the inconvenience and expense of obtaining a special one-day permit each time they wish to serve wine, for example, before a performance or during intermission.

**THE CONTENT OF THE BILL:**

The bill would create a new "community theater license" that the Liquor Control Commission could issue to any bona fide nonprofit community organization whose sole purpose was the production and staging of legitimate theatrical performances and that owned, hired, or leased a building or space in a building that was regularly used as a theater for its performances. The new license would not be subject to the usual population quota provisions that limit the number of on-premises licenses available in a municipality. The license would be issued for one location only and would not be transferable as to ownership or location. It would only authorize the sale of alcoholic beverages (beer, wine, and spirits) from one hour before to one hour after a scheduled theatrical performance and only in a lobby or other enclosed area adjacent to, but separate from, the theater in which the performance took place. The holder of a community theater license would not be required to obtain an entertainment permit. The fee for the license would be \$100. (On-premises licenses require the approval of the local legislative body.)

MCL 436.17j

**FISCAL IMPLICATIONS:**

The Liquor Control Commission said regarding an identical bill in the 1987-88 session that there should not be significant costs to the state unless there are many more community theater groups eligible for and interested in the license than expected. There does not appear to be an estimate available of the number of eligible groups. (4-11-89)

**ARGUMENTS:**

**For:**

Community theater groups would like to be able to serve wine and perhaps other alcoholic beverages to their patrons as a means of enhancing the overall theater-going experience and as a way to add to their receipts. There is demand for this from the theater-going public, and currently theaters must go through the process of obtaining special one-day licenses if they wish to have liquor available before a performance or during the intermission. With corporate contributions declining as a result of new

federal tax regulations, the sale of alcohol would also provide an additional source of earned income. Creation of a special kind of non-quota license, allowing theater groups to sell alcohol only when they were putting on productions, would provide them with more flexibility without taking a license away from commercial applicants. Drinks would only be served in a separate area and for a limited period of time.

**Against:**

Some people who are concerned about the effects of alcohol use on society oppose adding more liquor licenses and oppose the constant increase in the number of opportunities for the public to consume alcohol. Furthermore, some people have raised concerns about rowdiness in theaters that serve liquor, and about the possibility of unscrupulous operators using this new license to circumvent current restrictions on various objectionable forms of entertainment.

**Response:** Many commercial theaters in Michigan and elsewhere serve liquor and have experienced none of the difficulties people are worried about. No problems are anticipated given the nature of the audience for community theater productions. Besides, community theaters can already obtain liquor licenses, but only through a cumbersome process and only for one event at a time. The Liquor Control Commission and, in most cases, the local unit of government will have to pass judgment on applicants for the special theater license. The LCC says that it sets stiff standards for determining which applicants qualify as legitimate nonprofit groups.

**POSITIONS:**

The Liquor Control Commission is not opposed to the bill. (4-11-89)

The Michigan Interfaith Council on Alcohol Problems (MICAP) is opposed to the bill. (4-11-89)

A representative of the Riverwalk Theatre of Lansing indicated support for the bill. (4-11-89)

H.B. 4457 (4-12-89)