



**House
Legislative
Analysis
Section**

Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

HOTEL LIQUOR LICENSES

House Bill 4826

Sponsor: Rep. Jim McBryde

Committee: Regulatory Affairs

Complete to 11-6-95

A SUMMARY OF HOUSE BILL 4826 AS INTRODUCED 5-16-95

The bill would amend the Michigan Liquor Control Act to do the following.

-- A hotel would not be required to provide food service to registered guests or to the public in order to hold a liquor license. (Currently, hotels are required by the act to be adequately equipped to serve meals.)

-- A hotel would be prohibited from holding a specially designated distributor (SDD) license, which permits the sale of spirits and mixed spirit drinks for off-premises consumption (that is, a takeout license). However, a person who held a hotel license on the effective date of the bill and also held an SDD license at the same location could renew or transfer ownership of the SDD license.

-- The bill would provide new definitions of the terms "hotel", "Class A hotel", and "Class B hotel." The essential distinctions of the current act would remain: a Class A hotel is one licensed to sell beer and wine, and a Class B hotel is one licensed to sell beer, wine, mixed spirit drinks, and spirits. For both, as now, a hotel in a local governmental unit with a population of less than 175,000 would be required to maintain at least 25 bedrooms and a hotel in a larger local unit would be required to maintain at least 50 bedrooms. (Currently, the act applies the minimum-bed requirement to "cities", and the 25-bed minimum applies to cities of 50,000 population and less than 175,000 population.) Features of the old definition of "hotel" that would be deleted include the requirement that a hotel be adequately equipped to serve meals to at least 25 persons at a time (in smaller communities) or at least 100 persons at a time (in more populous communities). Also deleted would be the requirement that a hotel "must be prepared to show that the major portion of its receipts is derived from the renting of rooms and the sale of food."

-- The term "hotel" would refer to "a building or group of buildings located on the same or adjoining pieces of real property, which provide lodging to travelers and temporary residents and which may also provide food service and other goods or services to registered guests and to the public." (The current term refers, among other things, to "a building . . . regularly used and kept open . . . for the feeding and lodging of guests, where all who conduct themselves properly and who are able and ready to pay for such services are received if there are accommodations for them.")

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.