



**House
Legislative
Analysis
Section**

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

SALE OF ALCOHOL AT STATE FAIR

**House Bill 4842 as introduced
First Analysis (5-23-95)**

**Sponsor: Rep. Alvin Kukuk
Committee: Regulatory Affairs**

THE APPARENT PROBLEM:

Starting in 1992, the annual Michigan State Fair became wholly self-supporting. Prior to that time, from 1987 to 1991, the fair had received money from the general fund. Funding now comes through the State Fair Revolving Fund, which is composed of both fair and non-fair earnings and sponsor contributions.

The fairgrounds are used all year long, hosting approximately 100 events a year. Under the Liquor Control Act, the Liquor Control Commission may, with the written approval of the Department of Commerce and without regard to the act's population quota provisions (MCL 436.19c), issue a tavern license to a concessionaire leasing or renting a portion of the state fairgrounds to sell beer and wine for consumption on the premises except during the annual state fair. (Executive Order 1993-25 transferred the authority for the state fair from the Department of Natural Resources to the Department of Commerce.)

Public Act 136 of 1992 amended the Liquor Control Act to allow for the sale of beer and wine during the annual state fair until its sunset date of July 1, 1994. As the sunset provision had expired before the 1994 state fair, a special permit was granted by the Liquor Control Commission for that year. Legislation has been proposed to remove the sunset provision added by Public Act 136, thus allowing for the sale of beer and wine during the annual Michigan State Fair.

THE CONTENT OF THE BILL:

House Bill 4842 would amend the Liquor Control Act to allow for the sale of beer and wine during the Michigan State Fair. (The bill would not affect the prohibition against alcohol sales during the annual Upper Peninsula State Fair.)

MCL 436.17

FISCAL IMPLICATIONS:

According to Michigan State Fair staff, in 1994 the sale of beer and wine brought in \$34,000 in profits, and resulted in an additional \$25,000 in sponsor contributions. (5-18-95)

ARGUMENTS:

For:

With the loss of general fund revenues, the Michigan State Fair must seek out other sources of support. Selling beer and wine provides for revenues not just from actual sales, but also in the form of sponsor contributions.

Against:

The state should not encourage alcohol consumption, especially at family entertainment events such as the state fair.

Response:

The sale and consumption of alcohol at the Michigan State Fair has been, and would continue to be, very tightly controlled. Both the sale and consumption of beer and wine have been allowed only in a few designated areas which have security stationed at them. Proper identification is required to purchase alcohol. Open vending is prohibited. During the years that beer and wine sales were permitted, no problems related to the sale of alcohol were reported.

POSITIONS:

The Michigan State Fair Exposition Center supports the bill. (5-17-95)

The Michigan Beer and Wine Wholesalers Association supports the bill. (5-22-95)

The Department of Commerce has no formal position on the bill, but does feel the sale of beer

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and wine during the annual fair is important, not only for revenue, but also for sponsor purposes. (5-19-95)

The Liquor Control Commission is not opposed to the bill. (5-22-95)