



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4826 (Substitute H-1 as reported without amendment)

Sponsor: Representative Jim E. McBryde

House Committee: Regulatory Affairs

Senate Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend definition of "hotel" in the Michigan Liquor Control Act to delete a requirement that a hotel provide for the feeding of guests and be equipped to serve meals to at least 100 people in a cafeteria or dining room. The bill also specifies that the Liquor Control Commission could not require a Class A or Class B hotel to provide food service to registered guests or to the public.

Currently, "hotel" means a building that "...has been regularly used and kept open as such in a bona fide manner for the feeding and lodging of guests...". 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. A hotel must have at least 25 bedrooms if it is in a local unit with a population under 175,000, or at least 50 bedrooms if in a local unit with a population of 175,000 or more, and must be equipped to serve meals to at least 100 people at one time in a cafeteria or dining room. The Commission may make an exception and grant a license to a hotel in a city, village, or township with a population under 100,000, that does not have at least 25 bedrooms but is equipped to serve meals to at least 25 people at one time in a public cafeteria or dining room.

The bill, instead, would define "hotel" as "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 and services to registered guests and to the public". The bill would retain the required number of bedrooms based on population.

MCL 436.2h et al.

Legislative Analyst: S. Margules

FISCAL IMPACT

The bill would have no fiscal impact on the State or local governmental units. The bill could indirectly allow an increase in the number of Class A or Class B hotel liquor licenses. Increased State revenue would be realized in proportion to the level of increased sales generated through the new licenses.

Date Completed: 4-2-96

Fiscal Analyst: K. Lindquist

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.