

Legislative Analysis



ALLOW LIQUOR LICENSE FOR UNIVERSITY-OWNED FACILITY

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5492 (Substitute H-1)
Sponsor: Rep. Lorence Wenke
Committee: Regulatory Reform
First Analysis (5-27-04)

BRIEF SUMMARY: The bill would allow a hotel and conference center owned by a university to obtain a Class B (spirits, beer, and wine) hotel license, under certain conditions.

FISCAL IMPACT: There could be a very small fiscal impact on the State due to potential licensing revenue, perhaps in the range of \$600. The additional mark-up revenue to the Liquor Control Commission from increased consumption is negligible as well. There is no impact on local units of government.

THE APPARENT PROBLEM:

According to information provided to the House Committee on Regulatory Reform, Michigan State University's Kellogg Center operates Brook Lodge in Augusta as part of its hospitality degree programs. The lodge reportedly had been a conference center for the Upjohn Company. It is currently operating without a liquor license, which put it at a disadvantage. Legislation has been proposed to allow the conference center a liquor license in order to improve its financial prospects.

THE CONTENT OF THE BILL:

The bill would amend the Michigan Liquor Control Code, subject to the population quota system, to allow the Liquor Control Commission to issue a Class B hotel license to a hotel and conference center owned and operated by a university that holds a Class B hotel license [for another facility] and meets all of the following conditions: 1) has at least 45 guest rooms; 2) has a restaurant serving breakfast, lunch, and dinner with capacity for at least 90 guests; 3) has over 13,000 sq. ft. of flexible meeting space; 4) is open year-round to serve the public and the mission of the hospitality program; and 5) has a hospitality program that has at least two of the following three elements: student education classrooms, a working hospitality laboratory setting, and the use of rotational interns each semester or during the summer.

The sale and consumption of alcohol in the public areas of the hotel and conference center would be limited to table service only unless the public areas were reserved for a private function.

"Hospitality program" would mean a course of academic study that, at a minimum, is a nationally accredited program at the both the baccalaureate and graduate levels in the

hospitality business; that requires at least 120 semester credits (or the equivalent) for completion of the baccalaureate degree; and that has a teaching and research staff made up predominately of individuals with doctoral degrees.

MCL 436 1514a

ARGUMENTS:

For:

As noted earlier, allowing the MSU-owned hotel and conference facility in Augusta to hold a liquor license will improve its financial prospects and help support a full-service hospitality teaching facility.

POSITIONS:

A representative of Michigan State University has indicated support for the bill. (5-25-04)

The Kalamazoo Chamber and Tourism Bureau have indicated support for the bill. (5-25-04)

The Michigan Restaurant Association has indicated that it is neutral on the bill. (5-25-04)

Legislative Analyst: Chris Couch
Fiscal Analyst: Steve Stauff

■ 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.