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**BILL ANALYSIS**

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House Bill 5492 (Substitute H-1 as passed by the House)

Sponsor: Representative Lorence Wenke

House Committee: Regulatory Reform

Senate Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 6-16-04

CONTENT

The bill would amend the Michigan Liquor Control Code 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 such a license under Section 514 of the Code (i.e., Michigan State University). The hotel and conference center would have to meet at least all of the following:

- Contain a hotel with at least 45 guest rooms.
- Have a restaurant seating at least 90 guests that serves a full-menu breakfast, lunch, and dinner.
- Have over 13,000 square feet of flexible meeting space.
- Be open year-round to provide services to the public and to serve the mission of the hospitality program.

The hotel and conference center would have to have a hospitality program providing at least two of the following at the site of the center as part of the program: 1) student education classrooms; 2) a working hospitality laboratory setting; and/or 3) use of rotational interns each semester or during the summer.

In public areas of the hotel and conference center, the sale and consumption of alcoholic liquor would be limited to table service only, unless the public areas were reserved for private functions.

The bill would define "hospitality program" as a course of academic study that, at a minimum, is a nationally accredited program at 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 predominated by individuals with at least doctoral degrees.

The issuance of the license would be subject to the Code's quota system. The Commission could issue the license notwithstanding Section 501 of the Code (which authorizes the Commission to issue a license upon the payment of a fee and the filing of a bond or liability insurance, as well as proof of server training for supervisory personnel; provides for the expiration of a liquor license; requires approval of the local legislative body for an on-premises license; and allows a local unit to request the revocation of a license for repeated violations involving minors).

Proposed MCL 436.1514a

BACKGROUND

Public Act 166 of 2000 added Section 514 to the Michigan Liquor Control Code to allow the Liquor Control Commission to issue a Class B hotel license to the Kellogg Center at Michigan State University. Such a license allows the sale of beer, wine, mixed spirit drink, and spirits for on-premises consumption. Previously, Kellogg Center had held a Class C license, which permitted alcoholic beverages to be sold at scheduled events only.

In addition to the Kellogg Center, Michigan State University owns Brook Lodge Hotel and Conference Resort in Augusta, Michigan.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would increase licensing revenue by \$600 for the liquor license granted to a hotel and conference center meeting the proposed requirements. All license revenue is split between the Commission (41.5%), local units of government (55%), and alcohol programs (3.5%).

Fiscal Analyst: Maria Tyszkiewicz

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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.