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BILL ANALYSIS

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House Bill 5730 (as passed by the House)  
House Bill 5731 (as passed by the House)  
Sponsor: Representative Shelley Taub (5730)  
Representative Bill McConico (5731)  
House Committee: Regulatory Reform  
Senate Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 5-26-04

### **CONTENT**

**House Bills 5730 and 5731 would amend the Michigan Liquor Control Code to permit the Liquor Control Commission to issue sporting event licenses for the sale of alcoholic liquor for consumption on the premises in connection with national and international sporting events hosted by a governmental unit.**

**Under both bills, the license fee would be \$1,000 and a license would not be subject to Section 503 of the Code, which requires the Commission to deny a license if the premises are located within 500 feet of a church or school building.**

The bills are tie-barred to each other.

### **House Bill 5730**

The bill would amend the Section 517 of the Code to permit the Commission to issue international sporting event licenses for the sale of alcoholic liquor for consumption on the premises in connection with an international golf tournament to be conducted during the 2004 calendar year. The licenses could be issued if the Commission found that the following circumstances existed:

- The local governmental unit in which the international sporting event was to be conducted was the host unit for that event.
- The premises to be licensed were located in a theme area or theme areas designated by the governing body of the host governmental unit in connection with the international sporting event or were operated in conjunction with that event.
- The international sporting event would attract a substantial number of tourists from outside the State.
- The international sporting event was conducted under the auspices of a national or international sanctioning body.

In addition, the applicant would have to be one of the following: a Michigan licensee for the sale of alcoholic liquor for consumption on the premises; the promoter of the international sporting event or an affiliate of the promoter; a person who had entered into a written concession or catering agreement with the promoter of the event or its affiliate, which agreement had been approved by the Commission; or an organization qualified for licensure as a special licensee under Section 111(10) of the Act and the rules of the Commission.

(Under Section 111(10), a "special license" may be granted only for a period of time determined by the Commission to a person or organization able to demonstrate an existence separate from an affiliated umbrella organization.)

Currently, Section 517 allows the Commission to issue a national or international sporting event license if the premises to be licensed are located in the central business district of a city having a population of 70,000 or more and the city is an official host of a national or international sporting event. The premises to be licensed must be located in a theme area; the event must be expected to attract a substantial number of tourists from outside the State; and the applicant must hold a valid Michigan license for the sale of alcoholic liquor for on-premises consumption or be the promoter of the event. The current fee is \$100.

### **House Bill 5731**

The bill would add Section 517a to the Code to permit the Commission to issue national sporting event licenses for the sale of alcoholic liquor for consumption on the premises concerning a national sporting event. "National sporting event" would mean a sports-related event considered of national prominence, and would include only the following:

- The Major League Baseball all-star game during 2005.
- The National Football League super bowl during 2006.
- The National College Athletic Association final four games during 2008.

A national sporting event license could be issued if the Commission found that the following circumstances existed:

- The local governmental unit in which the national sporting event was to be conducted was the host governmental unit for that event.
- The premises to be licensed were located in a theme area or theme areas designated by the governing body of the host governmental unit in connection with the national sporting event or were operated in conjunction with that event.
- The national sporting event would attract a substantial number of tourists from outside the State.
- The national sporting event was conducted under the auspices of a national sanctioning body.
- The applicant was one of the following: a Michigan licensee for the sale of alcoholic liquor for on-premises consumption; the promoter of the national sporting event or an affiliate of the promoter; a person who had entered into a written concession or catering agreement with the promoter or its affiliate, which agreement had been approved by the Commission; or an organization qualified for licensure as a special licensee under Section 111(10) and Commission rules.

Licenses issued under Section 517a could not be for more than 30 consecutive days and would not be transferable as to ownership or location. A license would have to be for specific designated time periods that would include the national sporting event and activities associated with it. Not more than 40 licenses could be issued for use at the same time in a theme area or areas.

The governing body of the host governmental unit would have to give the Commission for its review a list containing the names of applicants and the locations of the premises to be licensed. The governing body would have to recommend the number of licenses to be issued in the theme area or areas, and the Commission could not issue any licenses that were not recommended by the governing body.

The governing body of the host governmental unit also would have to give the Commission written certification that all premises to be licensed under Section 517a complied with applicable State and local building, safety, and health laws, rules, and regulations.

MCL 436.1517 (H.B. 5730)  
Proposed MCL 436.1517a (H.B. 5731)

Legislative Analyst: J.P. Finet

### **FISCAL IMPACT**

The bills would increase the fee from \$100 to \$1,000. This license revenue is split between the State (45%) and local governments (55%). If additional licenses were issued, additional revenue would be raised at both levels of government.

Fiscal Analyst: Marie 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.