

Legislative Analysis



ALCOHOL LICENSING REQUIREMENTS

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House Bill 5627 (Substitute H-2)

Sponsor: Rep. Tory Rocca

Committee: Regulatory Reform

Complete to 2-14-06

A SUMMARY OF HOUSE BILL 5627 AS REPORTED FROM COMMITTEE 2-7-06

Section 913 of the Michigan Liquor Control Code says:

A person shall not maintain, operate, lease, or otherwise furnish to any person any premises or place that is not licensed [under the act] within which the other person may engage in the drinking of alcoholic liquor for consideration.

House Bill 5627 would amend Section 913 to add the following prohibition. A person could not:

Obtain by way of lease or rental agreement, and furnish or provide to another person, any premises or place not licensed under the act within which any other person could engage in the drinking of alcohol for consideration.

The term "consideration" currently refers to *any fee; cover charge; the storage of alcoholic liquor; the sale of food, ice, ice, mixers, or other liquids used with alcoholic drinks; or the furnishing of glassware or other containers for use in consuming alcohol in conjunction with the sale of food.*

House Bill 5627 would expand the definition of "consideration" to include ticket purchases and "the purchasing of any service or item, or the combination of service and item."

MCL 436.1913

BACKGROUND INFORMATION:

According to committee testimony, the bill intends to remove a perceived ambiguity in the law regarding the legality of using rental halls to host events that feature an entrance fee and where liquor is consumed without any of the parties holding a liquor license. The bill aims to clarify that such a practice is illegal.

FISCAL IMPACT:

There is no fiscal impact on the State of Michigan or its local units of government.

POSITIONS:

The Michigan Licensed Beverage Association (MLBA) indicated support for the bill. (2-7-06)

The Liquor Control Commission indicated a position of neutrality. (2-7-06)

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