

# Legislative Analysis



## COLLEGE CONFERENCE CTR. LIQUOR LICENSES: ADD OAKLAND & MACOMB COMM. COLLEGES

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House Bill 4322 (Substitute H-1)  
Sponsor: Rep. Barbara Farrah  
Committee: Regulatory Reform

### First Analysis (3-27-07)

**BRIEF SUMMARY:** The bill would allow the Oakland Community College Culinary Studies Institute and the Macomb County Community College Performing Arts and Cultural Center Complex to obtain an on-premises liquor license.

**FISCAL IMPACT:** The bill will increase revenue for Oakland Community College and Macomb Community College, but otherwise will have no fiscal impact on the State of Michigan or its local units of government.

### THE APPARENT PROBLEM:

Under state liquor laws, a college or university can obtain a liquor license to sell alcoholic liquor for consumption on the premises of a conference center operated by the governing board of the institution. The liquor license is not subject to the population quota provisions of the liquor code. Under this license, alcohol can only be sold at regularly scheduled conference center activities. The sale of alcohol to unscheduled patrons or at unscheduled events is strictly prohibited.

Both Oakland Community College and Macomb Community College have a culinary institute for the training of chefs and persons entering the hospitality industry. Such programs offer events for the general public so that students can have real life experience planning and executing banquets and buffets. In order to prepare students for employment after graduation, these events must approximate the tasks they will face when working at hotels and restaurants or running a catering company. Beverage service, which includes ordering and serving wine, beer, and spirits, is an important component of working in the hospitality industry. However, without a liquor license, a college must apply for a special liquor license for each event, currently limited by statute to five per calendar year. Many other state university and community college conference centers have been authorized by statute to obtain liquor licenses for consumption on the premises. It has been suggested that the law be expanded to include Oakland and Macomb Community Colleges.

### THE CONTENT OF THE BILL:

The bill would amend the Michigan Liquor Control Code to include the Oakland Community College Culinary Studies Institute and the Performing Arts and Cultural Center Complex at Macomb Community College in the list of centers considered

conference centers under the code and therefore eligible for an on-premises liquor license.

MCL 436.1513

***ARGUMENTS:***

***For:***

The bill would simply add the Culinary Studies Institute at Oakland Community College and the Performing Arts and Cultural Center Complex at Macomb Community College to the list of conference centers at state universities and community colleges eligible to receive a Class C liquor license for on-premises consumption. The liquor licenses will enable the culinary arts and hospitality programs to provide more student-run events that will enhance their educational experiences and better prepare them for employment after graduation. These programs already offer such events and have had no reported alcohol-related problems; the bill would allow them to offer such events without having to go through the lengthier and more expensive process of obtaining special licenses, which are limited to five per year per organization.

***Against:***

Granting Class C licenses to college conference centers creates more competition for local business owners who have invested years and revenue in building their businesses. The practice also further erodes the population quota system enacted to discourage the over-saturation of places serving alcohol.

***Response:***

The two colleges already offer several public events a year. Though the bill would allow them to offer more than they do now, the number of annual events would still be limited and therefore are not expected to adversely impact local restaurants.

***POSITIONS:***

A representative of the Oakland Community College Culinary Studies Institute testified in support of the bill. (3-27-07)

The Michigan Restaurant Association indicated opposition to the bill. (3-27-07)

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■ 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.