

LIQUOR LICENSE FOR CULINARY ARTS & HOSPITALITY PROGRAMS

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Senate Bill 502 (Substitute S-2)

Sponsor: Sen. Mike Nofs

House Committee: Regulatory Reform

Senate Committee: Regulatory Reform

Complete to 10-4-11

A SUMMARY OF SENATE BILL 502 (S-2) AS PASSED BY THE SENATE 9-21-11

The bill would allow the Liquor Control Commission to issue a liquor license to community colleges and public universities operating an accredited culinary arts or hospitality program for consumption at the program's location, under certain circumstances. The bill would add a Section 513a to the Michigan Liquor Control Code.

Specifically, beginning October 1, 2011, the LCC would be able to issue licenses to the governing board of a community college or university that operates an accredited culinary or hospitality program, and that is accredited by a nationally recognized accrediting agency, to sell alcoholic liquor for consumption at the program's location for activities that further the community college or university's' community or academic mission. Licenses issued under this new section would not be subject to the quota provisions of Section 531.

Under the bill, the sale of alcohol at a location other than the community college or university's culinary or hospitality program or at activities that do not further the community or academic mission of the community college or university would be prohibited. This would include public and private gatherings or meetings that have no direct correlation to the community college or university's community and academic mission. [However, the bill specifically says the LCC can issue a license to a private entity for the sale of alcoholic liquor for consumption on the premises of an outdoor stadium located on land owned by Lake Michigan College and leased to a private entity.]

Applicants would be required to submit the following information to the Commission:

- Documentation the community college or university is accredited by a nationally recognized accrediting agency.
- Documentation the culinary or hospitality program is accredited by a regionally recognized accrediting body or within 180 days after this bill takes effect, a copy of the community college or university's application to a regionally recognized accrediting body for accreditation of its culinary or hospitality program

Licenses issued under this new section would be canceled if, within two years of applying for a license, a culinary or hospitality program is not accredited. Exceptions can be granted if the college or university demonstrates good cause for a time extension to

obtain accreditation. Any community college or university that holds a liquor license under this new section would be prohibited from obtaining a catering permit under Section 547.

"Community college" would be defined as a community college established under the Community College Act of 1966, Public Act 331 of 1966, MCL 389.1 to 389.195.

"University" would be defined as a public university described in Section 4, 5, or 6 of Article VIII of the State Constitution of 1963.

[Senate Bill 502 contains many of the same provisions as House Bill 4744, which was reported out of the House Regulatory Reform committee on June 22, 2011.]

MCL 436.1101 to 436.2303

FISCAL IMPACT:

Senate Bill 502 would have a positive fiscal impact on state and local revenues, determined by the number of licenses that are applied for and approved for accredited culinary programs. The license application fees paid by community colleges and universities would increase revenue for liquor code enforcement activities for both the LCC and local units of government, as well as alcohol prevention and rehabilitation programs. To the extent that these new licenses increase the consumption of alcohol, revenue from beer, wine, and specific liquor taxes would increase. These tax revenues would be deposited mostly within the General Fund, but also within the School Aid and Convention Facilities funds.

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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.