

Legislative Analysis



MUNICIPAL CIVIC CENTER LIQUOR LICENSE

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House Bill 4411 as reported by committee w/o amendment

Sponsor: Rep. Curtis S. VanderWall

Committee: Regulatory Reform

Complete to 10-18-17

Analysis available at
<http://www.legislature.mi.gov>

(Enacted as Public Act 37 of 2018)

BRIEF SUMMARY: The bill would lower the population threshold required for a municipal civic center or civic auditorium, or its concessionaires, to sell alcohol at scheduled events.

FISCAL IMPACT: House Bill 4411 would not have a significant fiscal impact on the Department of Licensing and Regulatory Affairs or on other units of state or local government.

THE APPARENT PROBLEM:

Built in 1902, the Ramsdell Theater is owned by the City of Manistee and operated by the Ramsdell Regional Center for the Arts, a non-profit entity. The Ramsdell is home to a theater, ballroom, art gallery, and classrooms and hosts community events as well as being a popular venue for weddings and other private gatherings. However, since the theater is owned by the city and Manistee's population is under 9,500, it does not qualify for a liquor license that would allow beer, wine, or spirits to be sold or served at the many events held each year. Civic centers owned by larger municipalities are eligible for a liquor license that allows alcohol to be served at scheduled events. Since many smaller cities, villages, and townships own buildings that act as civic centers, it has been suggested that the population threshold required for a municipal liquor license be lowered.

THE CONTENT OF THE BILL:

Currently, the Michigan Liquor Control Commission (LCC) may, under certain conditions, issue liquor licenses to a commission, board, or authority that governs or operates a municipal civic center or civic auditorium and/or to 1 or more of its concessionaires. One of the conditions is that the center or auditorium be within a city or township that has a population of at least 9,500. House Bill 4411 would amend the Michigan Liquor Control Code to lower the required threshold to a population of not less than 5,500 (MCL 436.1509).

(The act also requires that the center or auditorium be owned and operated as a municipal enterprise and that the legislative body of the municipality first authorizes the operating authority of the civic center or auditorium or its concessionaire to apply to the commission for a license. Such licenses are not subject to the quota provisions that restrict the number of certain licenses in a geographic area based on population. They are also not available to an educational institution or for a facility operated in connection with an educational institution. The sale of alcohol under this license must be in connection with a scheduled event at the licensed premises.)

ARGUMENTS:

For:

The Ramsdell Theater in Manistee, on the National Historic Register, has become a popular venue for community programs and events as well as providing a beautiful setting for wedding receptions and other special gatherings. Owned by the city, it is leased and operated by the nonprofit Ramsdell Regional Center for the Arts. According to testimony, the Ramsdell has been a vital part of the regrowth of the downtown area. However, the city still must subsidize the theater. If the nonprofit operating the theater were eligible for a liquor license as similar entities operating civic centers or auditoriums in larger municipalities are, the nonprofit could become less dependent on the local government. As a nonprofit, the Ramsdell Regional Center for the Arts is eligible to obtain a special license to serve alcohol at an event, but an entity may only receive 12 such licenses a year. Being able to serve alcohol at any appropriate scheduled event (for instance, not at events primarily geared toward children) would enable the nonprofit to boost its revenues. Further, the venue may be able to attract more attendees at functions by making the theater even more attractive as a destination, which would be a boon to other local businesses as well.

Response:

Other smaller communities with venues owned by the local government may also benefit from the opportunity to obtain an unrestricted liquor license instead of being limited to 12 special non-profit licenses a year. Banquet halls in rural areas are often scarce and many local governments have bought and restored historic buildings for community programs and events. However, some vibrant and sought after venues are in even smaller communities than the threshold in the bill. Some feel that if the infrastructure to operate such a civic center is in place, that the population shouldn't matter. Allowing municipal civic center licenses to any qualifying municipality could be a way for smaller communities to grow their economies by becoming a destination place for special events.

POSITIONS:

A representative of the City of Manistee/Ramsdell Theater testified in support of the bill. (9-27-17)

The following entities submitted letters in support or indicated support for the bill:

The Michigan Township Association (9-27-17)

The Michigan Municipal League (9-27-17)

Manistee Area Chamber of Commerce (6-19-17)

The Ramsdell Regional Center for the Arts (6-15-17)

DowntownManistee (DDA) (6-8-17)

Manistee Community Foundation (6-14-17)

The Michigan Liquor Control Commission has no position on the bill. (9-27-17)

The Michigan Alcohol Policy indicated opposition to the bill. (9-27-17 & 10-4-17)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.