

Legislative Analysis



SPECIAL LIQUOR LICENSES FOR NATIONAL AND INTERNATIONAL SPORTING EVENTS

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House Bill 5730 as introduced
Sponsor: Rep. Shelley Taub

House Bill 5731 as introduced
Sponsor: Rep. Bill McConico

Committee: Regulatory Reform
First Analysis (5-5-04)

BRIEF SUMMARY: The bill would update current language in the Liquor Control Code that allows the issuance of special liquor licenses related to national or international sporting events.

FISCAL IMPACT: There is no fiscal information at present.

THE APPARENT PROBLEM:

Since 1982, state law has permitted the Liquor Control Commission (LCC) to issue special licenses related to major sporting events. At the time, the law permitted the LCC to issue 40 special licenses to certain nonprofit and charitable organizations to allow them to sell alcohol during a national sporting event. In 1993, in anticipation of several World Cup matches at the Pontiac Silverdome and the Great Lakes Grand Prix in Pontiac, state law was expanded to allow the LCC to issue national or international sporting event licenses for the sale of alcoholic liquor for on-premise consumption, provided that the licensed premises were located in the central business district of a city have a population of at least 70,000 and in a "theme area" (as designated by the city's governing body) in connection with a national or international sporting event.

In September of this year, Oakland Hills Country Club in Bloomfield Township will host the 35th annual Ryder Cup golf match. The Ryder Cup pits the best golfers from the United States and Europe in a biennial match play tournament. The location of the event alternates between Europe and the United States, and will be played in Ireland in September 2006. In addition, in the coming years Detroit will host several national sporting events at Ford Field (Super Bowl XL in 2006 and the 2009 NCAA men's basketball championships) and Comerica Park (Major League Baseball's 2005 All-Star Game).

The current language is largely based on the events in the City of Pontiac in 1994. Legislation has been updated to allow for the issuance of special liquor licenses related to the Ryder Cup, Super Bowl, and other large national and international sporting events.

THE CONTENT OF THE BILL:

The bills would amend the Michigan Liquor Control Code to allow the Liquor Control Commission to issue national and international sporting event licenses for on-premises consumption of alcoholic liquor under certain circumstances. Such licenses would be issued for not more than 30 consecutive days and would not be transferable. The application fee for a license would be \$1,000. The two bills are tie-barred to each other. House Bill 5730 would address *international* sporting event licenses; House Bill 5731 would address *national* sporting event licenses. Otherwise the provisions of the two bills are substantially the same.

Under the bills, these special licenses could be issued if the LCC found the following circumstances to exist:

- (a) the governmental unit in which the sporting event is to be conducted is the host governmental unit for the event;
- (b) the premises to be licensed are to be located in a theme area or theme areas designated by the governing body of the host governmental unit in connection with the sporting event or are operated in conjunction with that event;
- (c) the LCC determines that the event will attract a substantial number of tourists from outside the state;
- (d) the sporting event is conducted under auspices of an international or national sanctioning body; and
- (e) the applicant is either a current Michigan on-premise licensee; the promoter of the event or an affiliate of the promoter; a person who has entered into a written concession or catering agreement with the promoter or its affiliate, with the agreement approved by the LCC; or an organization qualified for licensure as a special licensee under Section 111 of the code and commission rules.

Such a license would be for a period of not more than 30 consecutive days and would not be transferable as to owner or location. Each license would be for specific designated time periods that include the sporting event and activities associated with the event. No more than 40 national sporting event licenses and 40 international event license could be issued for use at the same time in a theme area or theme areas.

The governing body of a host local governmental unit would have to supply the LCC for review a list of the applicants and 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. The LCC could not issue any licenses not recommended by the local unit. The local governing body would also have to provide written certification to the commission that all premises to be licensed comply with applicable state and local

building, safety, and health laws, rules, and regulations. A licensee would not have to meet the usual requirements about proximity to a church or school.

Under current law, the (LCC) may issue national or international sporting event licenses for the sale of alcoholic liquor for consumption on the premises if all of the following circumstances are found by the commission to exist:

(a) 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.

(b) The premises to be licensed are located in a theme area or theme areas designated by the governing body of the city in connection with the national or international sporting event.

(c) It is reasonably expected that the national or international sporting event will attract a substantial number of tourists from outside this state to the city.

(d) The applicant holds a valid Michigan license for the sale of alcoholic liquor for consumption on the premises or is the promoter of the event.

MCL 436.1517 (House Bill 4730) and MCL 436.1517a (House Bill 4731)

ARGUMENTS:

For:

The bills would update current language in the Liquor Control Code related to the issuance of special liquor licenses related to an international or national sporting event. Current law allows for such special licenses if the licensed premise is located in a city with a population of at least 70,000. Oakland Hills Country Club is located in Oakland County's Bloomfield Township, which has a population of roughly 44,000. Thus, is appears under current law, special liquor licenses could not be issued.

The bills also expand the list of eligible licensees. Under current law, a license applicant must hold a valid Michigan license for the sale of alcoholic liquor for on-premise consumption or is the promoter of the event. The bill would allow a license to be issued to a person who has entered into a LCC-approved written concession or catering agreement with the promoter or an affiliate.

In addition, the bill allows licensed premises to locate in other areas in a municipality other than the "central business district". Finally, the bill increases license fees from \$100 to \$1000.

POSITIONS:

The Liquor Control Commission indicated that it supports the bills. (5-4-04)

The Michigan Restaurant Association indicated that it was neutral on the bill. (5-4-04)

Legislative Analyst: Mark Wolf

■ 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.