

UNIVERSITY LIQUOR LICENSES

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Senate Bill 1219 (H-1) as reported from House committee

Sponsor: Sen. Tory Rocca

House Committee: Regulatory Reform

Senate Committee: Regulatory Reform

Complete to 12-17-18

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

SUMMARY:

Senate Bill 1219 would amend the Michigan Liquor Control Code to add several university buildings to the list of buildings considered “conference centers” and therefore eligible for an on-premises liquor license. The bill would also allow a liquor license to be issued to a golf course clubhouse owned or operated by a college or university.

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 prohibited.

Senate Bill 1219 would amend the Code to include the Pease Auditorium and McKenny Hall at Eastern Michigan University; the Heritage Hall Alumni Center at Western Michigan University; the Fredericks Sculpture Museum and the Alumni Building at Saginaw Valley State University; and Meadow Brook Hall, Golf Pavilion, Oakland Center, O’rena (Athletic Center), and Shotwell-Gustafson Pavilion at Oakland University in the list of buildings considered conference centers under the Code and therefore eligible for an on-premises liquor license. The bill would revise how the centers and other buildings are listed for clarity and ease of identifying which college and university centers are eligible for a liquor license.

Further, the bill would allow the Michigan Liquor Control Commission to issue a license to a golf course clubhouse and any adjacent outdoor service area owned or operated by a college or university for the sale of alcoholic liquor for consumption on the premises.

MCL 436.1513

HOUSE COMMITTEE ACTION:

The House Committee on Regulatory Reform reported an H-1 substitute for the bill. The substitute added the facilities located at Oakland University, as described above, to the list of university conference centers eligible for an on-premises liquor license under the Code.

BACKGROUND INFORMATION:

Unless specifically authorized, the Michigan Liquor Control Code prohibits issuance of a liquor license to an establishment located in a state-owned building or on state-owned land. One exception from the general prohibition is for conference centers located on the campuses of state colleges and universities, but only if specifically listed as such in the Code. Senate Bill 1219 would amend the Code to add buildings located at several state universities to the list of buildings considered to be “conference centers.” Besides hosting college- or university-related events, these buildings often host private events such as weddings, business conferences, and fundraisers. The license would allow them to serve alcoholic beverages at both public and private events for consumption on the licensed premises. However, the conference center license is strictly for scheduled events only—alcohol cannot be served on a regular basis or to members of the general public who are not participants or guests at the scheduled event. In this way, the colleges and universities do not compete with local bars and restaurants.

FISCAL IMPACT:

Senate Bill 1219 would be unlikely to have a significant fiscal impact on any unit of state or local government. The bill would allow the Michigan Liquor Control Commission to issue additional licenses to facilities owned and operated by colleges and universities, but given the small number of licenses that would likely be issued, the bill is not anticipated to have a significant fiscal impact.

POSITIONS:

The following entities indicated support for the bill on 12-12-18:

- Michigan Licensed Beverage Association (MLBA)
- University of Michigan-Ann Arbor
- Oakland University
- Eastern Michigan University
- Western Michigan University
- Saginaw Valley State University

The Michigan Liquor Control Commission has no position on the bill. (12-12-18)

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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.