

# Legislative Analysis



## UNIVERSITY LIQUOR LICENSES

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4912 (H-1) as reported from committee**

**Sponsor: Rep. Roger Hauck**

**1st Committee: Regulatory Reform**

**2nd Committee: Ways and Means**

**Complete to 10-30-19**

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

*(Enacted as Public Act 39 of 2020)*

### SUMMARY:

House Bill 4912 would amend the Michigan Liquor Control Code to add a university building to the list of buildings considered “conference centers” and therefore eligible for an on-premises liquor license and to allow an on-premises license to be issued to a private entity for the sale of alcohol at a restaurant on land owned by Western Michigan University under certain circumstances.

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 Control 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.

House Bill 4912 would amend the code to add the *John G. Kulhavi Events Center at Central Michigan University* to the list of buildings considered conference centers under the code and therefore eligible for an on-premises liquor license.

The bill would also remove the Bernhard Center at Western Michigan University from that list, replacing it with “the student center with the name designated by the governing board of Western Michigan University.”

Additionally, the bill would allow a license to be issued to a private entity for the on-premises sale of alcohol at a restaurant located on land owned by Western Michigan University under both of the following conditions:

- The land is leased or subleased at fair market value to a private entity that owns, leases, or subleases the licensed premises for the operation of a restaurant.
- The restaurant is located within an area designated industrial, research, or commercial development by the governing board of Western Michigan University.

MCL 436.1513

## **BACKGROUND:**

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. Besides hosting college- or university-related events, these buildings often host private events such as weddings, business conferences, and fundraisers. The license allows 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:**

House Bill 4912 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 a restaurant at Western Michigan University and a Central Michigan University events center. Given the limited number of licenses that this bill would allow, the bill is not anticipated to have a significant fiscal impact.

## **POSITIONS:**

Central Michigan University indicated support for the bill. (10-3-19)

The following entities indicated a neutral position regarding the bill:

- Michigan Liquor Control Commission (10-3-19)
- Michigan Licensed Beverage Association (10-3-19)
- Michigan Restaurant and Lodging Association (10-23-19)

Legislative Analysts: Jenny McInerney  
Susan Stutzky  
Fiscal Analyst: Marcus Coffin

---

■ 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.