

Legislative Analysis



LAKE SUPERIOR STATE UNIVERSITY LIQUOR LICENSES

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House Bill 5623 (H-1) as reported from committee

Sponsor: Rep. John N. Damoose

Committee: Regulatory Reform

Complete to 5-25-22

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

SUMMARY:

House Bill 5623 would amend the Michigan Liquor Control Code to add university buildings at Lake Superior State University 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 under certain circumstances for premises located on land owned by Lake Superior State 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 Control Code. Under this license, alcohol can be sold only at regularly scheduled conference center activities. The sale of alcohol to unscheduled patrons or at unscheduled events is prohibited.

The bill would add the James Norris Events Center and the Richard and Theresa Barch Center for Freshwater Research and Education at Lake Superior State University to the list of buildings considered conference centers under the code and therefore eligible for an on-premises liquor license. (The Walker Cisler Center at the university is already included as a conference center.)

In addition, the bill would allow a license to be issued to the governing board for the sale of alcohol for consumption on licensed premises that are located on land owned and operated by Lake Superior State University if both of the following apply:

- The license was originally acquired on the open market at fair market value.
- The land is located within an area designated for community development or conference activities by the governing board of the university.

MCL 436.1513

BRIEF DISCUSSION:

House Bill 5623 would add two facilities at Lake Superior State University to the list of university-based facilities defined as “conference centers” and thereby eligible for liquor licenses that are not based on geographic population quotas. The James Norris Events Center houses the hockey rink and basketball court and in the past has also hosted conferences. Currently, the space is underutilized, and it is believed that having a liquor license may draw more large events to the area. The Richard and Theresa Barch Center for Freshwater Research and Education is a newer facility that is quickly becoming a favorite spot to stage a variety of events, including weddings. Currently, the university can serve alcohol at the two facilities only by obtaining a special permit from the Michigan Liquor Control Commission. No organization may receive more than 12 special licenses in a calendar year. The bookings for

this year alone exceed the special license limit. Granting these facilities status as a university conference center could bring new business to the university and also to neighboring locales, as many coming to events would be lodging in nearby towns and frequenting local business establishments.

The bill also would enable the university to obtain an on-premises liquor license for a facility located on land owned and operated by the university if one should become available. Unlike the licenses for the facilities being added as conference centers, this license would be subject to the population quota and would have to be acquired on the open market at fair market value. The license could only be used in a facility within an area that was designated for community development or conference activities.

FISCAL IMPACT:

House Bill 5623 would not have a significant fiscal impact on any unit of state or local government. The bill would allow the Michigan Liquor Control Commission to issue a license to Lake Superior State University for on-premises consumption on land owned and operated by the university, as long as the conditions of the bill are met. Given that the bill would involve a single licensee, the bill would not have a significant fiscal impact.

POSITIONS:

A representative of Lake Superior State University testified in support of the bill. (4-26-22)

The Michigan Liquor Control Commission indicated a neutral position on the bill. (4-26-22)

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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.