

Senate Fiscal Agency  
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**SFA**



**BILL ANALYSIS**

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Senate Bill 742 (Substitute S-2 as passed by the Senate)  
Sponsor: Senator Loren Bennett  
Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 12-13-99

## RATIONALE

Canton Township, in Wayne County, recently purchased a \$4.5 million facility that had operated as a softball center, with 12 softball diamonds and a full-service restaurant. The facility had been issued a liquor license by the Liquor Control Commission, and with the purchase of the facility, the liquor license was transferred to the township. Under the Commission's licensing rules, a license may not be issued to a municipally owned facility unless the municipality is a co-licensee or the license is issued to a concessionaire of the municipality (R 436.1105(4)). Currently, the township is a co-licensee with the business that served as the vendor for the restaurant at the complex. If there were to be a change in the vendor at the softball facility, the township would have to reapply for a new license that would name the new vendor as co-licensee. Some people believe that a local government should not have to reapply for a liquor license under these circumstances.

## CONTENT

The bill would amend the Michigan Liquor Control Code to permit the Liquor Control Commission to issue in a county with a population of at least 1 million, a Class C license for a softball center that was owned by a county, city, village, or township and open to the public. The license could be issued solely to the county, city, village, or township.

The Commission could not transfer the license to another location. If the licensee went out of business, the license would have to be surrendered to the Commission.

"Softball center" would mean a facility that had at least multiple fields or diamonds and had a year-round, indoor, sit-down food and beverage restaurant on the site.

MCL 436.1516

## ARGUMENTS

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### Supporting Argument

Currently under the Liquor Control Code, the Commission may issue in a county with a population of at least 1 million a Class C license for a golf course that is owned by a county, city, village, or township and is open to the public (MCL 436.1515). The bill would allow a liquor license to be issued for a softball center under the same conditions. Thus, a license could be issued solely to the local government that owns a softball, and not jointly to the local government and the facility's vendor. This would simplify matters when the facility changed vendors because the local government would not have to reapply for a license, naming the locality and the new vendor as co-licensees, each time there was a change in vendors. Instead, the local government would be the sole holder of the license, as currently is allowed for a publicly owned golf course.

**Response:** In addition to permitting licenses to be issued under certain conditions to publicly owned golf courses, the Act provides for licenses to be issued to certain publicly owned airports and municipal civic centers and auditoriums (MCL 436.1507 and 436.1509). There is concern that the bill would provide another opportunity for local governments to own and operate facilities where liquor was served that could compete with privately owned businesses.

Legislative Analyst: L. Arasim

### FISCAL IMPACT

The bill would create a new class of license for which the Commission charges a \$600 licensing fee to cover administration costs. The State would retain 45% or \$270, and the local unit of government would receive 55% of the license fee or \$330. Total revenue collected under this change would depend on the number of additional licenses granted.

Fiscal Analyst: M. Tyszkiewicz

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.