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SFA



BILL ANALYSIS

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Senate Bill 1200 (as enrolled)

PUBLIC ACT 166 of 2000

Sponsor: Senator John J. H. Schwarz, M.D.

Senate Committee: Economic Development, International Trade and Regulatory Affairs

House Committee: Great Lakes and Tourism

Date Completed: 7-25-00

RATIONALE

Under the Michigan Liquor Control Code, the Liquor Control Commission is prohibited from issuing a license to sell liquor, for consumption either on or off the premises, if the property or establishment to be covered by the license is located in or on State land. The Code, however, provides exceptions to this restriction, including permission for the Commission to issue to the governing board of a college or university a license to sell liquor for consumption on the premises of a conference center operated by the governing board. Licenses granted under this provision may be used only for the sale of liquor at regularly scheduled conference center activities. Michigan State University's (MSU's) management educational center, in Troy, is listed among the college or university conference centers permitted to obtain a liquor license. In addition, MSU's Kellogg Hotel and Conference Center holds a Class C license, which permits the sale of beer, wine, mixed spirit drinks, and spirits for on-premises consumption, but only during scheduled events. Michigan State University's School of Hospitality Business uses the classrooms and laboratories located at the Kellogg Center for teaching and research. The school also provides internships at the State Room (the restaurant located in the Kellogg Center) for students studying the hospitality industry. Because of the Center's limited liquor license, however, the school has not been able to use the facility to give its students practical experience in the preparation and service of alcoholic beverages.

Class B hotel license to a hotel and conference center owned and operated by a university that meets at least all of the following: contains a hotel with at least 150 guest rooms; has a restaurant seating at least 125 guests that serves a full-menu breakfast, lunch, and dinner; has more than 30,000 square feet of flexible meeting space; and, is open year-round to provide services to the public and to serve the mission of the hospitality program. In addition, the university must have a hospitality program that provides at least all of the following at the hotel and conference center site as part of the hospitality program: student education classrooms, a working hospitality laboratory setting; and, use of rotational interns each semester or equivalent time period.

The bill specifies that, in public areas of the hotel and conference center, the sale and consumption of alcoholic liquor is limited to table service only unless the public areas are reserved for private functions.

(The bill defines "hospitality program" as a course of academic study that, at a minimum, is a nationally accredited program at baccalaureate and graduate levels in the hospitality business that requires at least 120 semester credits or the equivalent for completion of the baccalaureate degree and that has a teaching and research staff predominated by individuals with at least doctoral degrees.)

MCL 436.1514

CONTENT

The bill amended the Michigan Liquor Control Code to permit the Liquor Control Commission to issue a Class B hotel license to a hotel and conference center owned and operated by a university as part of a hospitality program.

Specifically, notwithstanding the Code's provisions on the issuance of liquor licenses and subject to the Code's quota system, the Commission may issue a

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.)

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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.

Supporting Argument

Michigan State University has operated a hotel and restaurant management program since the 1920s and currently is the only university in the State to offer a full-fledged hospitality program. Since the Kellogg Center opened in the early 1950s, hospitality students have used its classrooms and laboratories for research and training, while working in the Center's restaurant and hotel to obtain experience in various aspects of the hospitality profession. In fact, approximately 25% of students enrolled in the hospitality school augment their course work by gaining experience in the hospitality industry through employment at the Center. While the Kellogg Center holds a Class C liquor license, the license allows alcoholic beverages to be served at scheduled events only. Thus, walk-in patrons have not been able to order beer, wine, or a mixed drink at the facility's restaurant. As a result, hospitality students employed or serving internships at the Kellogg Center's restaurant could not receive the full range of hospitality training, which includes the preparation, management, and service of alcoholic beverages. The commercial hospitality industry, however, frequently involves the service of alcoholic beverages. By permitting the Kellogg Center to obtain a Class B hotel license, the bill will enable the MSU School of Hospitality Business to train its students in the full range of skills they will need to be employed in the commercial hospitality industry.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill will have no fiscal impact on State or local government.

Fiscal Analyst: M. Tyszkiewicz