



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 901 (as enacted)
Sponsor: Senator Mike Kowall
Senate Committee: Regulatory Reform

PUBLIC ACT 180 of 2016

Date Completed: 10-26-16

RATIONALE

The Michigan Liquor Control Commission is permitted to issue special liquor licenses for specific national and international sporting events hosted by local units of government, if certain criteria are met. These licenses allow the sale of alcoholic beverages for on-premises consumption in a designated area, and up to 40 licenses may be issued in conjunction with a particular sporting event. In the past, international sporting event licenses were issued for the 2004 Ryder Cup golf match, which Bloomfield Hills hosted, and national sporting event licenses were allowed for the 2009 National Collegiate Athletic Association Final Four games in Detroit, and other previous events. More recently, Oakland Hills Country Club, located in Bloomfield Hills, was selected to host the 2016 United States Golf Association Amateur Championship. It was suggested that the Commission be allowed to issue a national sporting event license for the event.

CONTENT

The bill amended the Michigan Liquor Control Code to allow the Liquor Control Commission to issue national sporting event licenses for the 2016 United States Golf Association (USGA) Amateur Championship.

The bill took effect on June 14, 2016.

The Code allows the Commission to issue national sporting event licenses for the sale of alcoholic liquor for consumption on the premises concerning a national sporting event if the Commission finds that all of the following circumstances exist:

- The local governmental unit in which the event is to be conducted is the host governmental unit for that event.
- The premises to be licensed are located in a theme area or theme areas designated by the governing body of the host governmental unit in conjunction with the event or are operated in conjunction with the event.
- The Commission determines that the event will attract a substantial number of tourists from outside of Michigan.
- The event is conducted under the auspices of a national sanctioning body.

In addition, the applicant must be one of the following:

- A Michigan licensee for the sale of alcohol liquor for on-premises consumption.
- The promotor of the national sporting event or an affiliate of the promotor.
- A person who has entered into a written Commission-approved concession or catering agreement with the promotor or its affiliate.
- An organization qualified for licensure as a special licensee, as provided in the Code and rules.

A license may not be issued for more than 30 consecutive days, and must be for specific designated time periods that include the national sporting event and activities associated with it. The Commission may not issue more than 40 licenses for use at the same time in a theme area or areas. An applicant must pay the Commission a license fee of \$1,000 at the time of the application.

"National sporting event" means a sports-related event considered of national prominence and includes only the following:

- The 2005 Major League Baseball All-Star Game.
- The 2006 National Football League Super Bowl.
- The 2008 Professional Golfers' Association Championship.
- The 2009 National Collegiate Athletic Association Final Four.

The bill added the 2016 USGA Amateur Championship to the list of events considered a national sporting event.

MCL 436.1517a

BACKGROUND

According to USGA.org, the U.S. Amateur Championship was created in 1894 and is the oldest USGA championship. The championship was created because of a controversy involving two clubs: Newport (Rhode Island) Golf Club and New York's St. Andrew's Golf Club. Both had conducted invitational tournaments to attract the nation's top amateur players and had proclaimed their winners as the national champion.

Before the final day of the St. Andrew's tournament, it was announced that an association composed of all the clubs in the United States would be formed in the near future. The national governing body would oversee a universally recognized championship. On December 22, 1894, the USGA was founded, with the first USGA Amateur Championship occurring the following year. The Championship has been held annually since 1895, except during World War I and World War II.

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

Special liquor licenses for a national sporting event are expected to help ensure the success of the event and the promotional activities that may accompany it, in addition to promoting supplementary tourism for the event. Moreover, the licenses allow other vendors and businesses in the area to capitalize on the income that the event generates within the region. The 2016 USGA Amateur Championship was held at Oakland Hills Country Club, located in Bloomfield Hills, Michigan, from August 15 to August 21. Allowing special liquor licenses for this event was consistent with the issuance of such licenses for other sporting events of national prominence.

Opposing Argument

Legislation that increases the availability of alcohol exacerbates health and social concerns regarding irresponsible alcohol consumption, and perpetuates the cultural norm that alcohol should be readily available everywhere. Having alcoholic beverages available at almost every venue creates misperceptions about the importance of alcohol; according to Committee testimony, about a third of the adult population does not consume any alcohol and another third uses it only in moderation.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill had no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton

A1516\s901es

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.