

Legislative Analysis



MOTORSPORTS EVENT LICENSES

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

House Bill 4445 as reported from committee

Sponsor: Rep. Sara L. Lightner

Committee: Regulatory Reform

Complete to 5-4-21

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

(Enacted as Public Act 29 of 2021)

BRIEF SUMMARY: House Bill 4445 would amend the Michigan Liquor Control Code to revise provisions concerning motorsports event licenses issued to the owners of a motorsports entertainment complex. Specifically, the bill would reduce the required number of motorsports events a license holder must conduct from a minimum of seven days each calendar year to a minimum of two days each calendar year.

FISCAL IMPACT: House Bill 4445 would be unlikely to have a significant fiscal impact on any unit of state or local government. The bill may assist existing licensees to meet statutory requirements, but the bill is not anticipated to impact the number of licensees or other factors that would create a fiscal impact.

THE APPARENT PROBLEM:

Under the state's liquor code, a motorsports event license allows for the sale of beer, wine, spirits, and mixed spirit drinks for on-premises consumption. However, to qualify for a motorsports event license, a motorsports entertainment complex must schedule at least seven days of motorsports events each calendar year. Due to the COVID-19 pandemic, the Michigan International Speedway (MIS), the state's largest racetrack, has lost one of its race weekends. As a result, the MIS cannot meet the statutory requirement for the number of race days needed to obtain a motorsports event license. Legislation has been offered to reduce the number of race days needed for the liquor license.

THE CONTENT OF THE BILL:

House Bill 4445 would amend the Michigan Liquor Control Code to reduce the required number of *motorsports events* from a minimum of seven days each calendar year to a minimum of two days each calendar year.

Motorsports event, as defined in the code, means a motorsports race and its ancillary activities that have been sanctioned by a sanctioning body.

The bill would also update the motorsports-related entities specifically identified in the definition of "sanctioning body."

MCL 436.1518

ARGUMENTS:

For:

The bill would allow the MIS to obtain a motorsports event liquor license and sell alcohol to patrons at events scheduled for this summer season. The race events held at the MIS draw tens of thousands of fans and are estimated to generate over \$400 million in national economic activity annually. In addition to allowing the MIS to sell alcoholic beverages, the license also allows fans to bring in their own alcoholic drinks under certain conditions. Proponents argue that this is a long-established tradition for race fans at all the tracks in the state and should be continued. By lowering the required number of events per year for a license, the bill would protect tracks from unforeseen events that result in race cancellations, whether from a worldwide pandemic or from a natural disaster such as damaging storms.

In addition, the bill would revise the entities listed as sanctioning bodies. Over the years, some of the entities have either changed their names or have disbanded. The bill would simply update this provision.

Against:

No arguments opposing the bill were advanced in committee testimony.

POSITIONS:

A representative of the Michigan International Speedway testified in support of the bill.
(4-20-21)

The Michigan Liquor Control Commission indicated a neutral position on the bill.
(4-20-21)

Legislative Analyst: 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.