

# Legislative Analysis



## MOTORSPORTS EVENT LICENSES

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

**House Bill 4445 as enacted**

**Public Act 29 of 2021**

**Sponsor: Rep. Sara L. Lightner**

**House Committee: Regulatory Reform**

**Senate Committee: Regulatory Reform**

**Complete to 9-15-21**

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

**BRIEF SUMMARY:** House Bill 4445 amends the Michigan Liquor Control Code to revise provisions concerning motorsports event licenses issued to the owners of a motorsports entertainment complex. Specifically, the bill reduces 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 it is not anticipated to involve the number of licensees or other factors that would create a significant fiscal impact.

### **THE APPARENT PROBLEM:**

Under the Liquor Control 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 amends 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 also updates the motorsports-related entities specifically identified in the definition of "sanctioning body."

MCL 436.1518

## ***BACKGROUND:***

House Bill 4445 was not given immediate effect by the Senate when it was passed, and as a result does not take effect until 90 days after the adjournment of the legislature at the end of 2021 (i.e., likely not until late March 2022). However, Senate Bill 559, as it was subsequently enacted as 2021 PA 64, included the same section of the Liquor Code, and specifically the version of that section as it was amended by HB 4445. Senate Bill 559 thus incorporated all of the changes made by House Bill 4445, and when it took effect as 2021 PA 64 on July 13, 2021, the provisions of HB 4445 also became effective on that date.

## ***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 have been 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 disbanded or changed their names. The bill would update this provision accordingly.

### ***Against:***

No arguments opposing the bill were advanced in House committee testimony.

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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.