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BILL ANALYSIS

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Senate Bill 868 (as reported with amendments)**Sponsor: Senator Gilbert J. DiNello****Committee: Regulatory Affairs****Date Completed: 6-6-88****RATIONALE**

Over the years, colleges and universities have been used increasingly as conference sites because many of these institutions are equipped with meeting rooms, banquet facilities, and social halls that are able to accommodate large groups. Furthermore, some of these educational institutions offer courses in hotel and restaurant management in which students learn about these industries and often may present dinner receptions to demonstrate their food preparation skills. The Michigan Liquor Control Act allows liquor licenses to be issued to conference centers operated by colleges and universities. To qualify as a "conference center" however, a facility must have overnight accommodations regularly used for lodging guests. Three special exemptions have been granted to permit conference centers without overnight accommodations to have a liquor license: the Hoyt Conference Center at Eastern Michigan University, the McGregor Memorial Conference Center at Wayne State University, and the Michigan State University Management Educational Center in Troy. Some people believe that more colleges and universities should have the opportunity to obtain a liquor license in order to give conference planners, as well as hotel-restaurant classes, the option of providing alcoholic beverages at their functions.

CONTENT

The bill would amend the Liquor Control Act to include the Kirkof and Eberhard Centers at Grand Valley State University, the Bernhard Center at Western Michigan University, the temporary conference center at Wadsworth at Michigan Technological University, and the Saginaw Valley State University Conference Center under the definition of "conference center", meaning that they would qualify for a conference center liquor license under the Act.

MCL 436.17h

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State and local government. The five additional centers would be eligible for class C liquor licenses at a cost of \$600 per license (\$3,000 total revenue). Theoretically, the increased revenue would pay for the increased cost of regulation for both State and local government. Whether this would be true in practice cannot be determined at this time.

ARGUMENTS**Supporting Argument**

Exceptions already have been made to the liquor law to permit conference centers without overnight accommodations to have liquor licenses. Thus, it is only fair that equal consideration be given to the educational

institutions included in the bill. Furthermore, some facilities at higher educational facilities in the State reportedly are seen by the public as conference centers, especially in areas where there are no commercial conference centers. These facilities should be able to offer the option of serving alcoholic beverages to those groups who use the facilities as conference sites.

Response: Permitting public higher educational facilities to obtain a liquor license for their conference centers could place them in direct competition with private facilities that are in the business of conducting conferences.

Opposing Argument

While the sites may be considered conference centers, they still are located at institutions of higher education, which should not be associated with the appearance of sanctioning the use of alcohol on campuses. Furthermore, the bill represents another method to increase the sale and consumption of alcoholic beverages.

Response: The license would not be for the purpose of serving alcohol to students, but to permit consumption of alcohol on the premises of the conference center during regularly scheduled conference center activities. In addition, the bill would benefit students in culinary arts programs who may need to serve alcohol as part of a function demonstrating their skills in food preparation and service.

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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.

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