



**House
Legislative
Analysis
Section**

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SPORTING EVENT LIQUOR LIC.

**House Bill 4700 (Substitute H-1)
First Analysis (5-6-93)**

**Sponsor: Rep. Charlie Harrison, Jr.
Committee: Liquor Control**

THE APPARENT PROBLEM:

Two major sporting events are planned for the Pontiac area in the near future: the R.A.C.E. America grand prix, which will take place downtown in September 1993, and the World Cup soccer championship, which will take place at the Silverdome in 1994. Such events can attract thousands of fans and inject millions of dollars into the local economy. City officials thus have a strong interest in ensuring a safe and enjoyable experience for visitors and in ensuring promoters' success; a good experience can lead to repeat business. With regard to the R.A.C.E. America grand prix, at least one promoter has proposed selling liquor on the Phoenix Center plaza, which overlooks the race area. To enable such proposals to go forward, amendments to the Liquor Control Act are needed.

THE CONTENT OF THE BILL:

The bill would amend the Michigan Liquor Control Act to authorize the liquor control commission (LCC) to issue special sporting event licenses for the sale of alcoholic beverages for on-premises consumption. The premises to be licensed would have to be in a theme area in the central business district of a city of at least 70,000 population. The city would have to be an official host of a national or international sporting event, and the theme area would be designated by the city in connection with the event. For an event to qualify, it would have to be reasonably expected that the event would attract a substantial number of out-of-state tourists to the city.

Licenses would be issued only to event promoters or holders of valid Michigan licenses for on-premises consumption. The LCC would choose from among a list of applicants submitted by the city. The commission would issue no more than the number of licenses that the city recommended for the theme area(s); up to 40 licenses would be allowed at the same time.

A license would cost \$100 and would be for designated time periods that included the sporting event and activities associated with it; a license could not be for a period of more than 30 consecutive days. Licenses would not be transferable as to ownership or location.

The city would certify that all premises to be licensed under the bill comply with applicable state and local building, safety, and health laws, rules, and regulations.

MCL 436.17j

FISCAL IMPLICATIONS:

There is no fiscal information at present. (5-5-93)

ARGUMENTS:

For:

Major sporting events such as the R.A.C.E. America grand prix and the World Cup soccer championship can bring thousands of tourists into a community; their spending can sharply, if temporarily, stimulate the local economy. It thus is in a community's interest not only to attract major events, but also to provide a safe and entertaining setting that will encourage promoters and visitors to return to the area. The World Cup soccer championship and the R.A.C.E. America grand prix have the potential to inject millions of dollars into Pontiac economy; to promote an enjoyable and memorable experience for each event, the city wants to be able to offer promoters the opportunity to sell liquor in special areas in conjunction with the events.

Response:

While prompted by upcoming events in Pontiac, the bill is not necessarily limited to those situations. Any city that can meet the criteria set forth in the bill could avail itself of the opportunity for these special licenses.

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Against:

Major sporting events in general and World Cup soccer in particular sometimes spark fights, rioting, and general mayhem. The addition of alcohol into an already volatile situation increases the risk that fans will get out of hand; given worldwide problems with soccer hooligans who tear apart stadiums and trample fans, such concerns are far from unreasonable. To prevent undue burdens on local law enforcement and to avoid alcohol-induced escalation of violence, it would be better for the state not to promote the additional consumption of alcohol through the issuance of special licenses.

Against:

Under the bill, there could be only one special license issued, if only one name was submitted by the city. However, the bill lacks explicit assurances that existing businesses will not be adversely affected by the loss of customers drained away to the special licensee.

POSITIONS:

The Liquor Control Commission supports the bill.
(5-4-93)

The Michigan Interfaith Council on Alcohol Problems opposes the bill. (5-4-93)