

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

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1401 (as introduced 9-17-02)
Sponsor: Senator Philip E. Hoffman
Committee: Transportation and Tourism

Date Completed: 9-17-02

CONTENT

The bill would amend the Michigan Liquor Control Code of 1998 to permit members of the general public to bring alcohol not purchased at a motorsports entertainment complex into the complex, and possess and consume that alcohol, under certain circumstances.

Specifically, for seven consecutive days or less during which public access was permitted to a motorsports entertainment complex in connection with a motorsports event, members of the public at least 21 years old could bring alcoholic beverages not purchased at the complex into the complex. Possession and consumption of the alcohol would be allowed in the portions of the complex that were open to the general public, and that also were part of the licensed premises of a retail licensee, only under both of the following circumstances: The licensed premises were located within the motorsports entertainment complex; and the retail licensee held a license for consumption on the licensed premises of the motorsports entertainment complex.

The bill provides that an owner (which would mean a person who owned and operated a motorsports entertainment complex) would not be considered a vendor merely because it was affiliated with, was a shareholder of, or contractually shared in percentage payments with a retail licensee unless either of both of the following circumstances existed:

- The owner obligated or required a vendor operating at the motorsports entertainment complex to purchase or sell a particular brand of alcoholic liquor in the areas that were accessible to the general public. (For this purpose, areas accessible to the general public would not include any restricted access areas that were under lease, license, or occupancy contracts with the owner.)
- With the knowledge of the owner, a person licensed as a beer distributor was directly or indirectly participating in, or contributing to, advertising or promotional funds being used to pay fees to the owner.

An owner not holding any license under the Code could enter into a promotional contract to provide for or require the payment of fees to the owner. The promotional contract could be with any person, except for either of the following: a person licensed as a beer or wine distributor, unless that person also was licensed as a manufacturer; or a person licensed as a spirit manufacturer.

The bill would define "motorsports entertainment complex" as a closed-course motorsports facility and its ancillary grounds that met all of the following requirements:

- Had at least 70,000 fixed seats for race patrons.
- Had at least seven scheduled days of motorsports events each calendar year.

- Had at least four motorsports events each calendar year.
- Served food and beverages at the facility during sanctioned events each calendar year through concession outlets, a majority of which were staffed by individuals who represented or were members of one or more nonprofit civic or charitable organizations that directly financially benefitted from the concession outlets' sales.
- Engaged in tourism promotion.
- Had located on the property exhibitions of motorsports history, events, or vehicles.

"Motorsports event" would mean a motorsports race and its ancillary activities that had been sanctioned by a sanctioning body. The bill would define "sanctioning body" as the American Motorcycle Association (AMA), the Auto Racing Club of America (ARCA), the Championship Auto Racing Teams (CART), the Grand American Road Racing Association (Grand AM), the Indy Racing League (IRL), the National Association for Stock Car Auto Racing (NASCAR), the Nation Hot Rod Association (NHRA), Professional Sportscar Racing (PSR), the Sports Car Club of America (SCCA), and the United States Auto Club (USAC), or any successor organization or any other nationally or internationally recognized governing board of motorsports that established an annual schedule of motorsports events, and granted rights to conduct the events, that had established and administered rules and regulations governing all participants involved in the events and all people conducting the events, and that required certain liability assurances, including insurance.

Proposed MCL 436.1518

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Maria Tyszkiewicz