

Legislative Analysis



NORTHERN MICHIGAN UNIVERSITY LIQUOR LICENSE

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House Bill 5315 as reported from committee

Sponsor: Rep. Sara Cambensy

1st Committee: Regulatory Reform

2nd Committee: Ways and Means

Complete to 2-4-20

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

SUMMARY:

House Bill 5315 would amend the Michigan Liquor Control Code to allow a license for the sale of alcohol for consumption on the licensed premises of a restaurant located on land owned and operated by Northern Michigan University if both of the following applied:

- The license was originally acquired on the open market at fair market value.
- The restaurant was located within an area designated for community development or conference activities by the governing board of the university.

Unless specifically authorized, the Liquor Control Code prohibits issuance of a liquor license to an establishment located in a state-owned building or on state-owned land. The bill would authorize the Liquor Control Commission to issue an on-premises license (for example, a Class C or tavern license) to the governing board of the university for a restaurant located on university property.

MCL 436.1513

BRIEF DISCUSSION:

The bill would allow Northern Michigan University to use an on-premises liquor license it already owns for a restaurant located on the premises of the recently renovated Northern Center, the university's conference facility. According to committee testimony, it is the largest venue in the Upper Peninsula, the only venue in the U.P. that can accommodate 1,000 plus attendees for weddings and conferences, and centrally located to the region. However, to attract national conferences and better serve area residents, the university needs legislative approval to transfer to the Wildcat Den, the university's cafeteria-style restaurant, an on-premises liquor license obtained at fair market price from a former business located on the Northern Center property. Although the university has a conference center liquor license, that license allows alcohol to be furnished only to invited guests at scheduled university events. Transfer of the existing license is needed for the restaurant to serve alcohol to the general public. It is believed that the license transfer could entice more conferences and events to choose Northern Michigan University when planning large, or small, events.

FISCAL IMPACT:

House Bill 5315 would not have a significant fiscal impact on any unit of state or local government. The bill would allow the Michigan Liquor Control Commission to issue a license to Northern Michigan University for on-premises consumption at a restaurant located on land

owned and operated by the university. Given that the bill would impact a single license, the bill would not have a significant fiscal impact.

POSITIONS:

Representatives of Northern Michigan University testified in support of the bill. (1-21-20)

Representatives of the following entities indicated support for the bill (1-20-20):

- City of Marquette
- Invest UP
- Blackrocks Brewery
- Barrel and Beam
- Mackinac Center for Public Policy

The following entities indicated a neutral position on the bill:

- Michigan Liquor Control Commission (1-28-20)
- Michigan Licensed Beverage Association (1-21-20)

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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.