



**House
Legislative
Analysis
Section**

Washington Square Building, Suite 1025
Lansing, Michigan 48909
Phone: 517/373-6466

COMMUNITY THEATER LIQUOR LICENSE

House Bill 4713 (Substitute H-2) **RECEIVED**
First Analysis (6-8-88)

JUL 15 1988

Sponsor: Rep. Burton Leland

Committee: Liquor Control

Mich. State Law Library

THE APPARENT PROBLEM:

Representatives of community theater groups are seeking the creation of a special kind of annual liquor license that would allow them to serve alcohol in connection with their theatrical productions. There is demand for this from their patrons, theater managers say, and the profits from alcohol sales would provide a new source of earned income at a time when corporate contributions are decreasing. Currently, community theaters must suffer the inconvenience and expense of obtaining a special one-day permit each time they wish to serve wine, for example, before a performance or during intermission.

THE CONTENT OF THE BILL:

The bill would create a new "community theater license" that the Liquor Control Commission could issue to any bona fide nonprofit community organization whose sole purpose was the production and staging of legitimate theatrical performances and that owned, hired, or leased a building or space in a building that was regularly used as a theater for its performances. The new license would not be subject to the usual population quota provisions that limit the number of on-premises license available in a municipality. The license would be issued for one location only and would not be transferable as to ownership or location. It would only authorize the sale of alcoholic beverages (beer, wine, and spirits) from one hour before to one hour after a scheduled theatrical performance and only in a lobby or other enclosed area adjacent to, but separate from, the theater in which the performance took place. The holder of a community theater license would not be required to obtain an entertainment permit. The fee for the license would be \$100. (On-premises licenses require the approval of the local legislative body.)

MCL 436.17i

FISCAL IMPLICATIONS:

The Liquor Control Commission does not anticipate that the bill would result in significant costs unless there are many more community theater groups eligible for and interested in the license than expected. There does not appear to be an estimate available of the number of eligible groups. (5-31-88)

ARGUMENTS:

For:

Community theater groups would like to be able to serve wine and perhaps other alcoholic beverages to their patrons as a means of enhancing the overall theater-going experience and as a way to add to their receipts. There is demand for this from the theater-going public, and currently theaters must go through the process of obtaining special one-day licenses if they wish to have liquor available before a performance or during the intermission. With corporate contributions declining as a result of new federal tax regulations, the sale of alcohol would also provide an additional source of earned income. Creation

of a special kind of non-quota license that allowed theater groups to sell alcohol only when they were putting on productions would provide them with more flexibility without taking a license away from commercial applicants. Drinks would only be served in a separate area and would not be served while a production was in progress.

Against:

Some people who are concerned about the effects on society of the use of alcohol oppose adding more liquor licenses and oppose increasing steadily the kinds of places where there is an opportunity for the public to consume alcohol. Others have raised concerns about rowdiness in theaters that serve liquor and the potential strain on toilet facilities.

Response: Many commercial theaters in Michigan and elsewhere serve liquor and have experienced none of the difficulties people are worried about. No problems are anticipated given the nature of the audience for community theater productions.

Against:

Some people are interested in making this bill apply to other kinds of theatrical performances; for example, when a major symphony orchestra appears at a county-owned opera house.

Response: Supporters of the bill have agreed to refine the bill if necessary as it moves through the legislative process provided its original intent is maintained.

POSITIONS:

The Liquor Control Commission supports the bill. (5-26-88)

A representative of the Kalamazoo Civic Players, who is also president of the American Association of Community Theaters, spoke in support of the bill before the House Liquor Control Committee. (5-26-88)

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