



Senate Fiscal Agency  
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## BILL ANALYSIS

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House Bill 4541 (Substitute H-3 as passed by the House)

Sponsor: Representative Dianne Byrum

House Committee: Regulatory Reform

Senate Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 6-8-05

### **CONTENT**

**The bill would amend the Michigan Liquor Control Act to authorize the Liquor Control Commission to issue motorsports event licenses for the sale of beer and wine for consumption on the premises during sanctioned events; and revise provisions that allow members of the public to bring alcoholic liquor into a motorsports entertainment complex. The bill would do the following:**

- **Require a complex to have 1,500, rather than 70,000, fixed seats.**
- **Delete a requirement that a complex have at least four events each year and exhibitions of motorsports history, events, or vehicles.**
- **Allow members of the public to bring in beer and wine, rather than alcoholic liquor.**

#### Motorsports Event License

The bill would permit the Liquor Control Commission, notwithstanding the Act's quota provisions, to issue motorsports event licenses for the sale of beer and wine for consumption on the premises, to the owner of a motorsports entertainment complex for use during sanctioned motorsports events only.

The fee for a motorsports event license would be \$250.

#### Motorsports Event Complex

The Act defines "motorsports event complex" as a closed-course motorsports facility and its ancillary grounds that meets the following criteria:

- Has at least 70,000 fixed seats for patrons.
- Has at least seven scheduled days of motorsports events each year.
- Has at least four motorsports events each year.
- Serves food and beverage at the facility during sanctioned events through concession outlets.
- Engages in tourism promotion.
- Has located on the property exhibitions of motorsports history, events, or vehicles.

The bill would reduce the minimum number of fixed seats to 1,500, and delete the requirements that the complex have at least four events each year and have exhibitions on the property.

The Act defines “motorsports event” as a motorsports race and its ancillary activities that have been sanctioned by a sanctioning body. The bill would include the Michigan State Promoters Association among the sanctioning bodies listed in the Act. (The list presently includes the American Motorcycle Association, Auto Racing Club of America, Championship Auto Racing Teams, Grand American Road Racing Association, Indy Racing League, National Association for Stock Car Auto Racing (NASCAR), Nation Hot Rod Association, Professional Sportscar Racing, Sports Car Club of America, and United States Auto Club.)

#### Members of the Public

Under the Act, for up to seven consecutive days during which public access to a motorsports entertainment complex is permitted in connection with a motorsports event, members of the public who are at least 21 years old may bring into the complex alcoholic liquor not purchased there, and may possess and consume the alcoholic liquor. The possession and consumption of alcoholic liquor are allowed only in portions of the complex open to the general public that are also part of the licensed premises of a retail licensee. The licensed premises must be located within the complex and the retail licensee must hold a license for consumption on the premises of the complex.

The bill would amend these provisions to refer to beer and wine, rather than alcoholic liquor.

MCL 436.1518 et al.

Legislative Analyst: Suzanne Lowe

#### **FISCAL IMPACT**

The bill could increase licensing revenue to the Commission. It is estimated that there are 30 to 40 of these tracks around the State, which would generate a maximum of \$10,000 annually. Of license fee revenue, 41.5% goes to cover enforcement responsibilities of the Commission and 3.5% goes to alcohol prevention and treatment programs.

The bill could increase funding to local units of government. Section 1543 of the Code allocates 55% of the proceeds of license fees to the local jurisdiction for police services.

Fiscal Analyst: Maria Tyszkiewicz

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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.