



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 862 (as passed by the Senate)
Sponsor: Senator Tonya Schuitmaker
Committee: Regulatory Reform

(enacted version)

Date Completed: 4-9-14

RATIONALE

The Michigan Liquor Control Code allows the Liquor Control Commission (LCC) to issue a temporary liquor license at an on-campus outdoor stadium in conjunction with a sanctioned professional hockey game. This provision was enacted to accommodate the National Hockey League's (NHL's) "Winter Classic" hockey game between the Toronto Maple Leafs and the Detroit Red Wings, which was held at Michigan Stadium on the campus of the University of Michigan on January 1, 2014. The university recently announced plans to host an international professional soccer game at Michigan Stadium in August 2014, and some people believe that the Code should allow the LCC to issue a temporary liquor license for that event, as it did for the NHL game.

CONTENT

The bill would amend the Michigan Liquor Control Code to allow a tavern or Class C license to be issued at an outdoor stadium customarily used for intercollegiate athletic events, for a limited time and in conjunction with a professional international soccer match.

Subject to a number of exceptions, the Code prohibits the LCC from issuing a license that would allow the sale of liquor on State land, which includes university property. Under certain circumstances, the LCC may issue either a tavern or a Class C license that may be used only for regularly scheduled events at a public university's established outdoor program or festival at a facility on the campus of a public university with an enrollment of at least 10,000 students. (A "tavern" license allows the sale of beer and wine at retail for consumption on the premises. A "Class C" licensee may sell beer, wine, mixed spirit drink, and spirits at retail for on-premises consumption.)

A license allowed under that provision generally may not be issued at an outdoor stadium customarily used for intercollegiate athletic events. As allowed for a professional hockey game, however, the bill would allow the LCC to issue a license at such a stadium for not more than 30 consecutive days to a concessionaire of an entity granted exclusive use of a public university's property in conjunction with a professional international soccer match between two international soccer clubs, as part of a tournament sanctioned by a not-for-profit association that is the governing body for soccer in the United States and organized and promoted by a match agent licensed by the international governing body for soccer.

The bill would allow the concessionaire to share the profits generated from the license with a licensed match agent and a promoter that organized and promoted international soccer matches under a written contract reviewed by the LCC. In addition, for a nationally televised game between two professional international soccer clubs, the LCC could allow the promotion and advertising of alcohol brands on the campus of a public university where a concessionaire had been issued a license.

As with the licensing arrangement for a hockey game, a license could be issued under the bill for a soccer game if the concessionaire entered into an agreement granting it control of the licensed

premises for the purposes of complying with the Code and rules promulgated under it regarding the sale of alcohol.

MCL 436.1531

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

On August 2, 2014, Michigan Stadium will host a game between two renowned international soccer teams, Real Madrid and Manchester United. The game will be part of a larger tournament, the 2014 Guinness International Champions Cup, and will be televised nationally and overseas. The University of Michigan is working with Relevant Sports, the tournament's promoter, and, according to media reports, is aiming to break the record for attendance at a soccer game in the United States.

A large part of the success of professional sports entertainment events, such as the NHL's Winter Classic outdoor hockey game and the upcoming international soccer competition, is the revenue garnered from concession sales. The ability to sell and serve beer and other alcoholic drinks is a key part of earning that revenue. In order to ensure that hosting the Champions Cup soccer game at Michigan Stadium is successful, the Liquor Control Code should allow the LCC to issue a temporary liquor license in the same manner as it did when the University hosted a professional hockey game in January 2014.

Opposing Argument

There is a well-documented history of problems with drunkenness and violence at international soccer matches. Allowing alcohol to be sold and served at a public university's athletic facility where such a game is to be played would only magnify the likelihood of those problems. The university, the City of Ann Arbor, and Washtenaw County already will see additional costs in the areas of crowd control, law enforcement, and response to medical needs as a result of hosting this event and managing revelers throughout the city. If liquor were to be served at the stadium, as well, perhaps the licensee should at least be required to pay a hefty additional fee to support the anticipated extra law enforcement efforts.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

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

Fiscal Analyst: Josh Sefton

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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.