

Legislative Analysis



HOTEL LIQUOR LICENSE ROOM THRESHOLD

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4700 (H-1) as reported from committee

Sponsor: Rep. Bill G. Schuette

Committee: Regulatory Reform

Complete to 9-17-25

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

SUMMARY:

House Bill 4700 would amend the Michigan Liquor Control Code to amend the definitions of *Class A hotel* and *Class B hotel* to provide a single threshold for how many rooms a hotel must have to qualify for a license.¹ Currently the number of required rooms is either 25 or 50, depending on the size of the local population. The bill would provide a threshold of 20 rooms for all locations.

Class A hotel currently means a hotel licensed by the Michigan Liquor Control Commission (MLCC) to sell beer, wine, and mixed spirit drink for consumption on the premises only that provides for the rental of, and maintains the availability for rental of, at least 25 bedrooms if located in a local governmental unit with a population of less than 175,000 or at least 50 bedrooms if located in a local governmental unit with a population of 175,000 or more.

Class B hotel currently means the same, but with a license that also allows for the sale of spirits for consumption on the premises.

The bill would amend the above definitions to require that the applicable hotel provides for the rental of, and maintains the availability for rental of, 20 or more rooms (without regard to population).

MCL 436.1107

BRIEF DISCUSSION:

According to committee testimony, current law does not allow smaller boutique hotels, such as have been established over the past several years in Detroit and Grand Rapids, to obtain a liquor license. The bill is intended to address this issue.

FISCAL IMPACT:

House Bill 4700 would have an indeterminate fiscal impact on the Michigan Liquor Control Commission. The bill would lower the number of rooms a hotel would need to have in order to be eligible for licensure as a "Class A hotel" and "Class B hotel." This would likely result in a greater number of hotels being eligible for licensure. The MLCC may experience an increase in license fee revenue and enforcement costs, but the amounts would depend on how many eligible hotels choose to obtain licenses.

¹ <https://www.legislature.mi.gov/Laws/MCL?objectName=mcl-Act-120-of-1961>

POSITIONS:

A representative of Bedrock testified in support of the bill. (8-21-25)

The Michigan Restaurant and Lodging Association indicated support for the bill. (8-21-25)

The following entities indicated a neutral position on the bill (8-21-25):

- Michigan Liquor Control Commission
- Michigan Licensed Beverage Association

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