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Senate Bill 186 (Substitute S-1 as reported)
Sponsor: Senator John Pappageorge
Committee: Economic Development and Regulatory Reform

CONTENT

The bill would amend the Michigan Liquor Control Code to create a catering permit and allow the Liquor Control Commission to issue a catering permit to a holder of a public on-premises license for the sale of beer, wine, and spirits, or the holder of another state's substantially equivalent license, and also licensed as a food service establishment under the Food Law. The catering permit would be a supplement to the on-premises license, and would allow the sale and delivery of beer, wine, and spirits in the original sealed container at locations other than the licensed premises, as well as require the permit holder to provide for service of beer, wine, and spirits at a private event where the alcoholic liquor was not resold to guests.

An applicant for a catering permit would have to apply on a form approved by the Commission and pay an application and processing fee of \$70 and a catering permit fee of \$300 at the time of issuance. The on-premises licensee also would have to pay the catering permit fee at the time of renewing the on-premises license.

Spirits sold under a catering permit could not be sold at less than the minimum retail price set by the Commission for specially designated distributors (businesses licensed to distribute spirits and mixed spirit drink in the original package for the Commission for off-premises consumption).

The bill states that it would not prevent the holder from using the catering permit at multiple locations and events during the same time period. It also would not prohibit an on-premises licensee who also held a catering permit from selling beer, wine, and spirits to a person who had obtained a special license under Section 527 (which allows special licenses to be issued to nonprofit charitable organizations for the sale, at auction, of donated wine).

Proposed MCL 436.1545

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would create a new catering permit for on-premises licensees. The application fee would be \$70 and the permit fee would be \$300. If 300 licensees, for example, used this new permit category, the amount of revenue generated would be \$111,000 in the first year. This liquor permit revenue would be deposited directly into the General Fund.

Date Completed: 3-12-09

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