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BILL ANALYSIS

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Senate Bill 5 (Substitute S-2 as reported)
Sponsor: Senator John Pappageorge
Committee: Regulatory Reform

CONTENT

The bill would add Section 547 to the Michigan Liquor Control Code to create a catering permit and allow the Liquor Control Commission (LCC) to issue a catering permit to the holder of a public on-premises license for the sale of beer, wine, and spirits who is 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 serve beer, wine, and spirits at a private event where the alcoholic liquor was not resold to guests. The person delivering the alcohol under a catering permit would have to verify that the person accepting delivery was at least 21. A person serving alcohol would have to have successfully completed an LCC-approved service training program.

An on-premises licensee applying for a catering permit would have to pay an application and processing fee of \$70 and a catering permit fee of \$100 at the time of issuance. The 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 selling price fixed by the Commission, including under rules for specially designated distributors (businesses licensed to distribute packaged liquor for off-premises consumption).

The bill states that Section 547 would not prevent a catering permit holder from using the catering permit at multiple locations and events during the same time period. It also would not prohibit a catering permit holder from selling beer, wine, and spirits to a person who had obtained a special license, if the permit holder served the alcohol and complied with all catering permit rules promulgated by the LCC.

Proposed MCL 436.1547

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 \$100. If 300 licensees, for example, used this new permit category, the amount of revenue generated would be \$51,000 in the first year. This liquor permit revenue would be deposited directly into the General Fund.

Date Completed: 3-14-11

Fiscal Analyst: Josh Sefton

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Analysis available @ <http://www.michiganlegislature.org>

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.