

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1312 (as introduced 5-9-02)

Sponsor: Senator Shirley Johnson

Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 5-13-02

CONTENT

The bill would amend the Michigan Liquor Control Code to allow the Liquor Control Commission to issue an "SDD-C permit" to a public on-premises licensee, as a supplement to that on-premises license. An SDD-C permit would allow the sale and delivery of spirits in the original sealed container, at locations other than the licensed premises, for purposes of catering or service of spirits at a "private event" where liquor was not resold to guests.

An applicant for an SDD-C permit would have to apply on a form approved and provided by the Commission and pay an application and processing fee of \$70. An applicant would have to pay an SDD-C permit fee of \$300 at the time the permit was issued. A licensee also would have to pay the SDD-C permit fee when renewing its on-premises license.

The bill states that it would not limit the number of SDD-C permits the Commission could issue within any local unit of government. The bill also would not prevent an SDD-C permit holder from using the permit at multiple locations and events during the same time period.

Spirits sold by an on-premises licensee under an SDD-C permit would have to be sold at the price fixed by the Commission for specially designated distributors under Section 229 of the Code (MCL 436.1229). (That section allows the Commission to license a hotel or merchant, in places that it designates, to sell spirits for consumption off the premises. If alcoholic liquor is sold by a specially designated distributor pursuant to such a license, it must be sold at a price fixed by the Commission, pursuant to promulgated rules.)

Under the bill, "SDD-C permit" would mean a permit issued by the Commission to a public on-premises licensee, who was licensed for the sale of spirits and also was licensed as a food service establishment under the Food Law, that would enable the permit holder to sell and deliver spirits in the original sealed container to a consumer for off-premises consumption as long as the sale was not by the glass or drink.

"Private event" would mean an event at which no consideration was paid by the guests. (As defined elsewhere in the Code, "consideration" includes any fee, cover charge, the storage of alcoholic liquor, the sale of food, ice, mixers, or other liquids used with alcoholic liquor drinks, or the furnishing of glassware or other containers for use in the consumption of alcoholic liquor in conjunction with the sale of food (MCL 436.1913(5)).)

Proposed MCL 436.1545

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would create a new permit for off-premises consumption and allow for the assessment of fees. Information regarding the number of permits is not available at this time, but according to the Liquor Control Commission, these fees would offset the costs associated with the additional regulatory responsibilities.

Fiscal Analyst: Maria Tyszkiewicz