



Senate Fiscal Agency  
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**BILL ANALYSIS**

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Senate Bill 50 (Substitute S-2 as reported)

Sponsor: Senator Shirley Johnson

Committee: Economic Development, Small Business 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 public on-premises licensee that was licensed for the sale of beer, wine, and spirits 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 hold 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: J.P. Finet

**FISCAL IMPACT**

The bill would create a new licensing category for restaurants that provide catering services. The fees include a \$70 application fee and a \$300 permit fee. There are currently 7,500 Class C licensees that would be qualified for this. If 10% of these licensees took advantage of this provision, revenue to the Commission would increase by \$52,500 from the application fee and by \$225,000 from the renewable permit fee. Any revenue from penalties on this class of licensee would be deposited in the General Fund.

Date Completed: 6-6-06

Fiscal Analyst: Elizabeth Pratt/Maria Tyszkiewicz

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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.