



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



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

Senate Bill 5 (as enacted)
Sponsor: Senator John Pappageorge
Senate Committee: Regulatory Reform
House Committee: Regulatory Reform

PUBLIC ACT 20 of 2011

Date Completed: 4-13-12

CONTENT

The bill added 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 a public on-premises licensee, a specially designated distributor, or a specially designated merchant, that also is licensed as a food service establishment or retail food establishment, allowing the sale and delivery of beer, wine, and/or spirits in the original sealed container at locations other than the licensed premises, and requiring the permit holder to serve the beer, wine, or spirits at a private event where the alcoholic liquor is not resold to guests.

An applicant for a catering permit must apply on a form approved and provided by the Commission and pay an application and processing fee of \$70 and a catering permit fee of \$100 when the permit is issued. The applicant also must pay the catering permit fee at the time of renewing the on-premises, specially designated distributor (SDD), or specially designated merchant (SDM) license. (An SDD license allows the distribution of liquor in the original container for off-premises consumption. An SDM license allows the retail sale of beer and wine for off-premises consumption.)

The LCC may not issue a catering permit to an applicant who delivers but does not serve the alcohol.

The person delivering the beer, wine, or spirits under a catering permit must verify that the individual accepting delivery is at least 21 years old. A catering permit holder

may use a third party that provides delivery service to island municipalities that are inaccessible by motor vehicle to deliver beer, wine, or spirits to the location of the private event, if the delivery service is approved by the LCC and agrees to verify that the recipient is at least 21.

A catering permit holder providing service of beer, wine, or spirits, or an employee of the permit holder, must successfully complete an LCC-approved server training program before providing the service. While delivering beer, wine, or spirits, a catering permit holder, or its employee, must possess documentation that the alcohol is being delivered for a private event being conducted under Section 547.

Spirits sold by an SDD or SDM under a catering permit may not be sold at less than the minimum retail selling price fixed by the Commission, including under rules promulgated by the LCC for SDDs.

The bill states that Section 547 does not limit the number of catering permits the Commission may issue within any local unit of government. It also does not prevent a catering permit holder from using the catering permit at multiple locations and events during the same time period.

In addition, Section 547 does not prohibit a catering permit holder from selling beer, wine, or spirits to a person who has obtained a special license if the catering permit holder serves the beer, wine, or spirits and complies with all catering permit rules promulgated by the LCC.

A catering permit holder who prepares food or drink for direct consumption through service on the premises or elsewhere must comply with the requirements for food service establishments under the Food Law.

A catering permit holder is subject to all sanctions, liabilities, and penalties provided under the Code or under law.

Section 547 defines "private event" as an event where no consideration, as defined in Section 913, is paid by the guests. (Section 913 defines "consideration" as any fee, cover charge, ticket purchase, the storage of alcoholic liquor, the sale of food, ice, mixers, or other liquids used with alcoholic liquor drinks, or the purchasing of any service and/or item; or the furnishing of glassware or other containers for use in the consumption of alcoholic liquor in conjunction with the sale of food.)

The bill took effect on April 20, 2011.

MCL 436.1547

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill created a new catering permit for on-premises licensees, SDDs, and SDMs. The application fee is \$70 and the permit fee is \$100. If 300 licensees, for example, use this new permit category, the amount of revenue generated will be \$51,000 in the first year. This liquor permit revenue will be deposited directly into the General Fund.

Fiscal Analyst: Josh Sefton

S1112\S5es

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.