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BILL ANALYSIS

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Senate Bill 5 (as introduced 1-19-11)
Sponsor: Senator John Pappageorge
Committee: Regulatory Reform

Date Completed: 2-8-11

CONTENT

The bill would amend 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, as a supplement to the on-premises license, allowing the sale and delivery of beer, wine, or spirits in the original sealed container at locations other than the licensed premises, and requiring the permit holder to provide for service of the spirits at a private event where the alcoholic liquor was not resold to guests. The Commission could not issue a catering permit to an applicant whose food service establishment delivered but did not serve the alcohol.

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 $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.

The person delivering the beer, wine, or spirits would have to verify that the person accepting delivery was at least 21 years of age. A catering permit holder could use a third party that provided delivery services to island municipalities that were inaccessible by motor vehicle to deliver beer, wine, or spirits as long as the delivery service were approved by the LCC and agreed to verify that the recipient was at least 21.

A catering permit holder providing service of beer, wine, or spirits, or an employee of the permit holder, would be required to have completed successfully an LCC-approved service training program. While delivering beer, wine, or spirits, a catering permit holder, or its employee, would have to possess documentation that the alcohol was being delivered for a private event pursuant to the bill.

A holder of a catering permit would be subject to all sanctions, liabilities, and penalties provided under the Code or under law.

The bill states that it would not limit the number of catering permits the Commission could issue within any local unit of government. A holder would not be prevented from using the catering permit at multiple locations and events during the same time period.

A holder of a catering permit would not be prohibited from selling beer, wine, or spirits to a person who had obtained a special license under Section 527 (which allows the issuance of special licenses to nonprofit charitable organizations for the sale, at auction, of donated wine).

The bill would define "catering permit" as a permit issued by the Commission to a holder of a public on-premises license for the sale of beer, wine, and/or spirits, also licensed as a food service establishment under the Food Law, that authorizes the holder to sell and deliver beer, wine, or spirits in the original sealed container to a person for off-premises consumption but only if the sale is not by the glass or drink, and the permit holder provides the service of the spirits. The permit would not allow the permit holder to deliver but not serve the beer, wine, or spirits.

"Private event" would mean an event where no consideration, as defined in Section 913(5), is paid by the guests. (Section 913(5) 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.)

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.

Fiscal Analyst: Josh Sefton