

Michigan Department of Licensing and Regulatory Affairs Liquor Control Commission (MLCC) Constitution Hall – 525 W. Allegan, Lansing, MI 48933 Mailing Address: PO Box 30005, Lansing, MI 48909 Toll Free 866-813-0011 – www.michigan.gov/lcc

Concession Agreement Requirements

A concession agreement is required when a non-licensed person or company provides food services on the licensed premises of a liquor licensed business or operates a business on the licensee's licensed premises.

A concession operator must not sell or serve alcoholic beverages on the licensed premises and must not receive any profits or any of the gross sales of alcoholic beverages sold by the licensee.

If a non-licensed person or company will sell or serve alcoholic beverages on the licensed premises or will receive profits or gross sales of alcoholic beverages, the licensee must first be approved for and issued a <u>Participation Permit</u>.

Additionally, a licensee <u>must not lease or rent</u> any portion of the licensed premises to a concession operator, pursuant to R 436.1023. Also, the licensee must not grant exclusive control over any portion of the licensed premises to the concession operator. The licensee must remain in control of the full licensed premises at all times. The licensee may grant the concession operator the right to use the facilities on the licensed premises, but the concession agreement must not include the leasing or renting of any portion of the licensed premises to the concession operator.

A concession agreement must include:

- The name of the licensee and concession operator.
- The time span of the agreement.
- A provision that the licensee will receive all profits from the sale and service of alcoholic beverages.
- A provision that the licensee will maintain control and responsibility for the actions of all persons or employees operating the concession business as they relate to the Michigan Liquor Control Code and administrative rules.
- A provision that the licensee will retain control over all portions of the licensed premises.

Licensees are required to submit all concession agreements to the Commission for review and the licensee will be notified if the agreement is acceptable or if any items must be added or removed. Commission approval is required for concession agreements for food services while a concession agreement for any other type of business/service will be reviewed for acceptability and compliance with the Michigan Liquor Control Code and Rules but do not require approval by the Commission.