

# SENATE BILL No. 951

July 1, 1988, Introduced by Senators DILLINGHAM, DI NELLO,  
ARTHURHULTZ, BARCIA and O'BRIEN and referred to the Committee  
on Regulatory Affairs.

A bill to amend section 16 of Act No. 8 of the Public Acts  
of the Extra Session of 1933, entitled as amended  
"The Michigan liquor control act,"  
as amended by Act No. 101 of the Public Acts of 1983, being sec-  
tion 436.16 of the Michigan Compiled Laws; and to add  
section 14a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 16 of Act No. 8 of the Public Acts of  
2 the Extra Session of 1933, as amended by Act No. 101 of the  
3 Public Acts of 1983, being section 436.16 of the Michigan  
4 Compiled Laws, is amended and section 14a is added to read as  
5 follows:

6       SEC. 14A. (1) THE COMMISSION SHALL NOT RESTRICT THE NUMBER  
7 OF BOTTLES OF SPIRITS OF ANY CODE NUMBER, AS ASSIGNED BY THE  
8 COMMISSION, THAT MAY BE PLACED ON DISPLAY FOR SALE BY A SPECIALLY

1 DESIGNATED DISTRIBUTOR, AS LONG AS THE DISPLAY IS NOT COMPOSED OF  
2 MORE THAN 5 CASES OF SPIRITS OF THAT CODE NUMBER.

3 (2) NOTWITHSTANDING SUBSECTION (1), A SPECIALLY DESIGNATED  
4 DISTRIBUTOR SHALL NOT DISPLAY BOTTLES OF SPIRITS BEHIND A LUNCH  
5 COUNTER, SNACK BAR, OR SODA COUNTER, AND SHALL NOT PLACE BOTTLES  
6 OF SPIRITS IN ANY WINDOW DISPLAY.

7 Sec. 16. (1) The commission shall establish uniform prices  
8 for the sale of alcoholic liquor in state liquor stores, and by  
9 specially designated distributors. The prices shall not return a  
10 gross profit to the commission of less than ~~54%~~ 56% or in  
11 excess of 65%. If alcoholic liquor purchased by the commission  
12 has not met sales standards established by the commission for a  
13 period of 6 months, the commission may sell the alcoholic liquor  
14 at a price to be approved by the state administrative board.

15 (2) Notwithstanding subsection (1), the commission may  
16 establish by rule prices for the sale of alcoholic liquor to hos-  
17 pitals, charitable institutions, and military establishments  
18 located in this state.

19 (3) On the sale of alcoholic liquor made by the state liquor  
20 stores to specially designated distributors, and to establish-  
21 ments licensed to sell for consumption on the premises there  
22 shall be allowed a discount of ~~17%~~ 19% deducted from the sale  
23 price as established by the commission. A sale or purchase of  
24 alcoholic liquor made in a state liquor store and by all types of  
25 licensees shall be for cash only, except for the following:

1 (a) A customer's charge account with a specially designated  
2 merchant who is not a holder of a license authorizing sale of  
3 alcoholic liquor for consumption on the premises.

4 (b) A sale to a bona fide registered guest of a class  
5 B-hotel or class A-hotel, if the extension of credit does not  
6 exceed 30 days.

7 (c) A sale to an industrial account if the extension of  
8 credit does not exceed 30 days.

9 (d) A sale to a person holding an authorized credit card  
10 from a credit card agency.

11 (e) A sale to a professional account, or an industrial  
12 account of class C-licensee or a tavern, whose major business is  
13 food, if the extension of credit does not exceed 30 days.

14 (f) A sale by a private club to a bona fide member.