

# SENATE BILL No. 353

June 4, 1991, Introduced by Senators DILLINGHAM, DI NELLO, O'BRIEN and DUNASKISS and referred to the Committee on State Affairs and Military/Veteran 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 section 436.16 of the Michigan Compiled Laws; and to add sections 14a and 14b.

## 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 sections 14a and 14b are added to  
5 read as 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 PER DISPLAY EXCEPT THAT THERE SHALL  
3 BE ONLY 1 DISPLAY FOR EACH DESIGNATED BRAND AND FOR EACH CODE  
4 NUMBER, AND THE INDIVIDUAL CONTAINERS IN THE DISPLAY ARE NOT  
5 SMALLER THAN 750 MILLILITERS OR THE EQUIVALENT IN OUNCES. THE  
6 NUMBER OF DISPLAYS SHALL NOT EXCEED 15 EXCEPT THAT DURING THE  
7 MONTHS OF NOVEMBER AND DECEMBER THE NUMBER OF DISPLAYS SHALL NOT  
8 EXCEED 25.

9 (2) NOTWITHSTANDING SUBSECTION (1), A SPECIALLY DESIGNATED  
10 DISTRIBUTOR SHALL NOT DISPLAY BOTTLES OF SPIRITS BEHIND A LUNCH  
11 COUNTER, SNACK BAR, OR SODA COUNTER, AND SHALL NOT PLACE BOTTLES  
12 OF SPIRITS IN ANY WINDOW DISPLAY.

13 SEC. 14B. (1) THE COMMISSION SHALL PROMULGATE RULES FOR  
14 IMPLEMENTATION OF THE ENTRY INTO THIS STATE OF ALCOHOLIC LIQUOR  
15 NOT AVAILABLE IN THIS STATE AS OF DECEMBER 31, 1988, IF THAT  
16 ALCOHOLIC LIQUOR IS NOT FOR RESALE TO THE GENERAL PUBLIC BUT IS  
17 ONLY FOR PERSONAL CONSUMPTION IN THE CONDUCT OF PROCEEDINGS BY  
18 FRATERNAL NONPROFIT ORGANIZATIONS, AND THEN ONLY WHEN THE TOTAL  
19 ANNUAL VOLUME OF ALL SUCH ALCOHOLIC LIQUOR TO ANY 1 ORGANIZATION  
20 DOES NOT EXCEED 12 GALLONS OR 45 LITERS. (2) THE COMMISSION  
21 SHALL ASSESS ONLY THOSE COSTS RELATED TO THE ADMINISTRATION OF  
22 THIS SECTION AND APPLICABLE TAXES.

23 Sec. 16. (1) The commission shall establish uniform prices  
24 for the sale of alcoholic liquor in state liquor stores, and by  
25 specially designated distributors. The prices shall not return a  
26 gross profit to the commission of less than ~~51%~~ 56% or in  
27 excess of 65%. If alcoholic liquor purchased by the commission

1 has not met sales standards established by the commission for a  
2 period of 6 months, the commission may sell the alcoholic liquor  
3 at a price ~~to be approved by the state administrative board~~  
4 LOWER THAN THAT PRICE ESTABLISHED BY THIS SUBSECTION FOR THE PUR-  
5 POSE OF DEPLETING ITS EXISTING INVENTORY.

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

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

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

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

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

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

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

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