



# SENATE BILL No. 809

September 21, 1993, Introduced by Senators KELLY, FAUST, O'BRIEN and BERRYMAN 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.

## 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 to read as follows:

5 Sec. 16. (1) The commission shall establish uniform prices  
6 for the sale of alcoholic liquor in state liquor stores, and by  
7 specially designated distributors. The prices shall ~~not~~ return  
8 a gross profit to the commission of ~~less~~ NOT MORE than 51%. ~~or~~  
9 ~~in excess of 65%.~~ If alcoholic liquor purchased by the

1 commission has not met sales standards established by the  
2 commission for a period of 6 months, the commission may sell the  
3 alcoholic liquor at a price to be approved by the state adminis-  
4 trative board.

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

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

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

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

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

24 (d) A sale to a person holding an authorized credit card  
25 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.