

**SUBSTITUTE FOR  
SENATE BILL NO. 586**

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
(MCL 436.1101 to 436.2303) by adding section 1028.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           **Sec. 1028. (1) The commission may issue a special license**  
2 **under this section to a qualified organization conducting a spirits**  
3 **tasting. The application must conform to all of the following:**

4           **(a) The application must be submitted by a qualified**  
5 **organization.**

6           **(b) The spirits tasting involves an event having for its**  
7 **primary purpose the showcasing of spirits and the spirits'**  
8 **production and or mixability.**

9           **(c) The application must be accompanied by a fee of \$25.00 per**



1 day of the event described in subdivision (b).

2 (2) The holder of a special license issued under this section  
3 shall not allow more than 6 events per calendar year conforming to  
4 the requirements of subsection (1).

5 (3) A holder of a special license issued under this section  
6 may purchase the spirits for an event described in subsection (1)  
7 under R 436.582 of the Michigan Administrative Code.

8 (4) A holder of a special license issued under this section  
9 may receive a rebate on the purchase of spirits subject to all of  
10 the following:

11 (a) The rebate must be the difference of the purchase price  
12 the special licensee paid to the specially designated distributor  
13 and the sum of the following:

14 (i) The price the commission paid for the spirits before  
15 establishing the price to determine the gross profit under section  
16 233.

17 (ii) Fifteen percent of the price under subparagraph (i).

18 (iii) Specific taxes calculated on the price of the spirits  
19 established under section 233.

20 (b) The special licensee shall submit 1 combined request for a  
21 rebate by March 1 of each year for all spirit tasting events for  
22 which it was issued a special license under this section in the  
23 previous calendar year.

24 (c) The special licensee shall submit its request for a rebate  
25 on a form prescribed by the commission. The special licensee shall  
26 include all of the following information with its request for a  
27 rebate:

28 (i) The date or dates of the spirits tasting events for which a  
29 rebate is being requested.



1           (ii) The name and license number of the specially designated  
2 distributor from which the spirits were purchased.

3           (iii) The purchase price paid per bottle to the specially  
4 designated distributor.

5           (iv) The quantity of bottles purchased less any bottles  
6 returned under section 609d.

7           (v) The special licensee shall submit a copy of the receipt or  
8 invoice that shows the price it paid for the spirits to the  
9 specially designated distributor and any products returned under  
10 section 609d.

11           (d) By June of each year, the commission shall issue a  
12 combined rebate to the special licensee for each of the events in  
13 the previous calendar year for which the special licensee submitted  
14 a request for a rebate. The rebate for any 1 event must not exceed  
15 \$10,000.00.

16           (5) A holder of a special license issued under this section  
17 and the member vendors of spirits, small distillers, authorized  
18 distribution agents, and brokers whose vendor representatives,  
19 salespersons, or agents are licensed by the commission, may pour  
20 and serve spirits, with or without mixers.

21           (6) A qualified organization shall designate a supervisor on  
22 each shift and during all hours when alcoholic liquor is served who  
23 has successfully completed a server training program as described  
24 in section 906 and in the rules promulgated by the commission.

25           (7) As used in this section:

26           (a) "Qualified organization" is a nonprofit association  
27 established for the primary purpose of representing the interests  
28 of vendors of spirits, craft distillers, and brokers whose  
29 membership includes at least 15 primary members and consists of at



1 least 3 of the following that are licensed by the commission:

2 (i) Vendors of spirits.

3 (ii) Small distillers.

4 (iii) Brokers. As used in this subparagraph, "broker" means that  
5 term as defined in section 609.

6 (iv) Authorized distribution agents.

7 (b) "Spirits tasting" means an event at which spirits are  
8 showcased to the general public and at which the general public can  
9 purchase and sample the spirits being showcased for consumption on  
10 the licensed premises.

11 Enacting section 1. This amendatory act does not take effect  
12 unless Senate Bill No. 588 of the 100th Legislature is enacted into  
13 law.

