

SUBSTITUTE FOR  
SENATE BILL NO. 448

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending section 233 (MCL 436.1233).

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

1           Sec. 233. (1) The commission shall establish uniform prices  
2 for the sale of alcoholic liquor ~~in state liquor stores and by~~  
3 specially designated distributors. ~~The~~ **THROUGH DECEMBER 31, 2016,**  
4 **THE** prices ~~shall~~ **MUST** return a gross profit to the commission of  
5 not less than 51% and not greater than 65%. **BEGINNING JANUARY 1,**  
6 **2017, FOR EACH BOTTLE OF SPIRITS PRODUCED BY A DISTILLER BELOW THE**  
7 **DISTILLER'S THRESHOLD PRODUCTION AMOUNT IN A CALENDAR YEAR, THE**  
8 **PRICE FOR EACH OF THOSE BOTTLES MUST RETURN A GROSS PROFIT TO THE**  
9 **COMMISSION OF NOT GREATER THAN 20%. BEGINNING JANUARY 1, 2017, FOR**  
10 **EACH BOTTLE OF SPIRITS PRODUCED BY A DISTILLER IN EXCESS OF THE**

1 DISTILLER'S THRESHOLD PRODUCTION AMOUNT IN A CALENDAR YEAR, THE  
2 PRICE FOR EACH OF THOSE BOTTLES MUST RETURN A GROSS PROFIT TO THE  
3 COMMISSION OF NOT LESS THAN 51% AND NOT GREATER THAN 65%. If  
4 alcoholic liquor purchased by the commission has not met sales  
5 standards established by the commission for a period of 6 months,  
6 the commission may sell the alcoholic liquor at a price to be  
7 approved by the state administrative board.

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

12 ~~(3) There shall be allowed a discount of 17% deducted from the~~  
13 ~~sale price established by the commission on the sale of~~ **SPECIALLY**  
14 **DESIGNATED DISTRIBUTORS AND ON-PREMISES LICENSEES ARE ENTITLED TO A**  
15 **17% DISCOUNT FROM THE UNIFORM PRICE DESCRIBED UNDER SUBSECTION (1)**  
16 **ON** alcoholic liquor ~~made by the~~ **PURCHASED FROM THIS** state. liquor  
17 ~~stores to specially designated distributors and establishments~~  
18 ~~licensed to sell for consumption on the premises.~~

19 (4) AS USED IN THIS SECTION, "THRESHOLD PRODUCTION AMOUNT"  
20 MEANS THE FIRST 60,000 GALLONS OF SPIRITS MANUFACTURED BY A  
21 DISTILLER IN A CALENDAR YEAR.