

# HOUSE BILL NO. 5728

April 24, 2020, Introduced by Rep. Iden and referred to the Committee on Government Operations.

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending section 231 (MCL 436.1231) and by adding section 231a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           Sec. 231. The commission may buy, possess, and sell in its own  
2 name all alcoholic liquor for distribution as provided in sections  
3 227 and 229. The commission shall supply ~~such~~**the** types of  
4 alcoholic liquor as are demanded by the public. However, if **the**  
5 **public demands** a brand ~~so demanded~~**that** is not manufactured within



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1 the United States or is not readily obtainable within the United  
2 States, ~~then an order for that~~ **the commission shall fill an order**  
3 **for the** brand ~~shall be filled by the commission~~ at the entire  
4 expense of the person placing ~~that~~ **the** order subject to any gross  
5 profit or discounts, or both, provided for in section 233. The  
6 commission may lease or occupy any building or land required for  
7 its operation, and may purchase any warehouse required for its  
8 operation, subject to the approval of the state administrative  
9 board.

10 **Sec. 231a. (1) Subject to subsection (2), the commission may**  
11 **offer to a licensee a cash buyback of any spirits the licensee**  
12 **ordered from the commission and received and accepted from an**  
13 **authorized distribution agent before March 16, 2020. If a licensee**  
14 **opts into the buyback program under this section, the commission**  
15 **must advance to the licensee 100% of the purchase price of those**  
16 **spirits that are in the licensee's inventory.**

17 **(2) The commission may accept buyback requests under this**  
18 **section, by electronic mail or on its website, only from a licensee**  
19 **that holds 1 of the following license types:**

- 20 **(a) Class C.**
- 21 **(b) B-Hotel.**
- 22 **(c) G-1.**
- 23 **(d) Club.**
- 24 **(e) Continuing care retirement center.**
- 25 **(f) Aircraft.**
- 26 **(g) Watercraft.**
- 27 **(h) Train.**

28 **(3) The commission shall accept all requests made by a**  
29 **licensee under this section by 5 p.m. on April 26, 2020.**



1           (4) Upon advancing cash to a licensee under the buyback  
2 program under this section, the commission will hold legal title to  
3 all spirits purchased by the licensee before March 16, 2020 that  
4 are in the licensee's inventory at the time the licensee opts into  
5 the buyback program. Except as otherwise provided in subsection  
6 (6), the commission shall not take physical possession of any  
7 spirits purchased under this section. The licensee shall take all  
8 reasonable care to account for and preserve the inventory of any  
9 spirits purchased under this section.

10           (5) A licensee that opts into the buyback program under this  
11 section may, at any time until the commission takes physical  
12 possession of spirits it owns under subsection (6), repay to the  
13 commission the full amount advanced to the licensee. Upon repayment  
14 of the full buyback amount, the licensee will again hold title to  
15 the spirits in its possession.

16           (6) Ninety days after the state of emergency declared under  
17 Executive Order No. 2020-4 or any extension of that order has  
18 expired, the commission may take physical possession of any spirits  
19 held by a licensee to which the commission holds legal title under  
20 this section.

