

SENATE BILL No. 923

March 21, 2018, Introduced by Senators PROOS, ZORN, PAVLOV, HORN, HANSEN and SCHMIDT and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
(MCL 436.1101 to 436.2303) by adding section 234.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 234. (1) SUBJECT TO THIS SECTION, ON REQUEST OF A SMALL
2 DISTILLER, ON A FORM PRESCRIBED BY THE COMMISSION, THE COMMISSION
3 SHALL PAY THE SMALL DISTILLER 1/2 OF THE GROSS PROFIT DESCRIBED IN
4 SECTION 233(1) THAT THE COMMISSION RECEIVED IN A CALENDAR YEAR ON
5 THE SALE OF SPIRITS MANUFACTURED BY THE SMALL DISTILLER IF THE
6 SPIRITS ARE PRODUCED WITH AT LEAST 40% OF ITS DISTILLED GRAIN GROWN
7 IN THIS STATE. A SMALL DISTILLER SHALL FILE THE REQUEST NOT LATER
8 THAN APRIL 15 OF THE YEAR AFTER THE CALENDAR YEAR FOR WHICH PAYMENT

1 IS REQUESTED. THE COMMISSION SHALL MAKE THE PAYMENT TO THE SMALL
2 DISTILLER WITHIN 90 DAYS AFTER RECEIPT OF A REQUEST UNDER THIS
3 SUBSECTION.

4 (2) A SMALL DISTILLER REQUESTING A PAYMENT UNDER SUBSECTION
5 (1) SHALL KEEP A COMPLETE AND ACCURATE SET OF RECORDS AND ACCOUNTS
6 OF ALL TRANSACTIONS PERTAINING TO THE OPERATION OF ITS DISTILLERY,
7 INCLUDING, BUT NOT LIMITED TO, RECORDS AND ACCOUNTS OF ALL
8 DISTILLED GRAIN RECEIVED IN OR WITHDRAWN FROM THE DISTILLERY, ALL
9 ACKNOWLEDGMENT FORMS IN THE SMALL DISTILLER'S POSSESSION, COPIES OF
10 ALL CONTRACTS, AND ACKNOWLEDGMENT FORMS RETURNED TO AND SETTLED BY
11 THE SMALL DISTILLER. THE DEPARTMENT OF AGRICULTURE AND RURAL
12 DEVELOPMENT MAY EXAMINE THE RECORDS AND ACCOUNTS PERTAINING TO THE
13 SMALL DISTILLER'S DISTILLED GRAIN HANDLING BUSINESS AT ANY TIME
14 DURING NORMAL BUSINESS HOURS.

15 (3) AS USED IN THIS SECTION:

16 (A) "ACKNOWLEDGMENT FORM" MEANS A SCALE WEIGHT TICKET, A LOAD
17 SLIP, OR ANY OTHER EVIDENCE OF DEPOSIT ISSUED BY A SMALL DISTILLER
18 OR THE SMALL DISTILLER'S AUTHORIZED REPRESENTATIVE TO A DEPOSITOR
19 THAT IDENTIFIES THE DISTILLED GRAIN BEING TRANSFERRED FROM
20 POSSESSION OF THE DEPOSITOR TO THE POSSESSION OF THE SMALL
21 DISTILLER.

22 (B) "DEPOSITOR" MEANS EITHER OF THE FOLLOWING:

23 (i) A PERSON THAT DELIVERS DISTILLED GRAIN TO A SMALL
24 DISTILLER FOR STORAGE, PROCESSING, SHIPMENT, OR SALE AND THAT HAS
25 TITLE TO DISTILLED GRAIN AT THE TIME OF DELIVERY.

26 (ii) A PERSON THAT OWNS OR THAT IS THE LEGAL HOLDER OF AN
27 ACKNOWLEDGMENT FORM ISSUED BY A DEPOSITOR FOR DISTILLED GRAIN.

1 (C) "DISTILLED GRAIN" MEANS ANY OF THE FOLLOWING:

2 (i) DRY BARLEY.

3 (ii) OATS.

4 (iii) A SMALL GRAIN.

5 (iv) A CEREAL GRAIN.

6 (v) POTATO.

7 (vi) CORN.

8 Enacting section 1. This amendatory act does not take effect
9 unless Senate Bill No. 579 of the 99th Legislature is enacted into
10 law.