



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 470 (Substitute S-1 as reported)  
Sponsor: Senator Alan Sanborn  
Committee: Economic Development and Regulatory Reform

**CONTENT**

The bill would amend the Michigan Liquor Control Code to do the following:

- Require retailers selling beer in a keg of five gallons or more to: attach an identification tag to the keg; require the purchaser to sign a receipt after presenting a driver license or Michigan identification card; refuse to return the keg deposit if the tag were not attached upon return; and retain receipts for at least 30 days.
- Require the Liquor Control Commission: to make ID tags available to retailers selling beer in a keg; prescribe the required receipt; and provide retailers with signs.
- Prescribe an administrative fine of up to \$50 for retailers who failed to apply an ID tag on a keg; intentionally failed to complete a receipt; or failed to obtain the purchaser's signature on a receipt.
- Make it a misdemeanor, punishable by up to 93 days' imprisonment and/or a maximum fine of \$500, for a person who was not a retailer or wholesaler to remove an ID tag from a keg of beer; allow the removal of an ID tag from a keg purchased by the individual; or provide false information in the purchase of beer in a keg.

Proposed MCL 436.2029

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The bill would increase the costs of the Liquor Control Commission (LCC) within the Department of Energy, Labor, and Economic Growth. The LCC would be required to provide retailers with identification tags for beer kegs and signs describing keg policies. The LCC also would be required to develop receipts to document keg sales. The cost of the keg tags is estimated at \$10,000. The LCC would incur additional costs to administer the keg tag program. The LCC's revenue in excess of administrative costs is deposited annually in the General Fund. To the extent that the bill increased the LCC's costs, the General Fund contribution would be reduced. Any revenue from administrative fines against retailers would be deposited into the General Fund.

The bill would have an indeterminate fiscal impact on local government. There are no data to indicate how many offenders would be convicted of the proposed offenses involving kegs of beer. Local governments would incur the costs of misdemeanor probation and incarceration in local facilities, which vary by county. Additional penal fine revenue would benefit public libraries.

Date Completed: 6-4-09

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Analysis available @ <http://www.michiganlegislature.org>

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