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Senate Bill 470 (as introduced 4-28-09)
Sponsor: Senator Alan Sanborn
Committee: Economic Development and Regulatory Reform

Date Completed: 6-3-09

CONTENT

The bill would add Section 1029 to the Michigan Liquor Control Code to do the following:

- **Require retailers selling beer in a keg: to attach an identification tag to the keg, require the purchaser to sign a receipt, and refuse to return the keg deposit if the tag were not attached upon the keg's return.**
- **Require the Liquor Control Commission to make ID tags available to retailers selling beer in a keg, and provide them with signs.**
- **Prescribe an administrative fine for retailers who committed certain violations.**
- **Prescribe a misdemeanor penalty for people who were not retailers or wholesalers for certain violations.**

"Keg" would mean any brewery-sealed individual container having liquid capacity of six gallons or more.

Specifically, the bill would require a retailer selling beer in a keg to do all of the following:

- Attach an ID tag, as prescribed by the Commission, on the keg before or at the time of selling the beer.
- Require the purchaser of the beer to complete and sign a receipt after presentation of a driver license or State of Michigan identification card.
- Refuse to return the keg deposit if the ID tag were not attached when the keg was returned.
- Retain a deposit as authorized by law.

A retailer could not sell beer in a keg to a customer who did not possess a driver license or State of Michigan ID card.

Upon request, the Commission would have to prescribe the receipt for use in the sale of beer by the keg. The receipt would have to contain at least a place for the purchaser's printed name, address, and telephone number, and the beer keg tag number. A retailer could not sell beer in a keg unless the purchaser completed and signed the receipt. A notice would have to be printed on the receipt in boldfaced type the same size as that used on other parts of the receipt.

The Commission would have to provide retailers with a sign stating all of the following:

- That the retailer would not return the keg deposit to the purchaser of the beer if the tag were not attached to the keg upon its return.
- That the individual signing the receipt did so with the understanding that he or she agreed not to damage the keg or remove or alter the attached tag.
- That the individual signing the receipt did so with the understanding that he or she was subject to liability for serving the beer to any minor.

The Commission would have to make ID tags available to retailers selling beer in a keg. The tags would have to be of such size and materials as to make them easily removable for the purpose of the keg's cleaning and reuse by its owner. Upon request, the Commission would have to distribute the tags and make them available in numbered lots to retailers selling beer in a keg.

Retailers selling beer in a keg would have to keep a copy of the receipt for at least 30 days and make the copy available for inspection by the Commission and law enforcement agencies.

A retailer who failed to apply an ID tag on a keg, intentionally failed to complete the receipt, or failed to obtain the purchaser's signature on the receipt, would be liable for an administrative fine of up to \$250.

A person who was not a retailer or a wholesaler licensed by the Commission would be guilty of a misdemeanor punishable by up to 93 days' imprisonment and/or a maximum fine of \$500, for any of the following:

- Removing an ID tag from a keg containing beer.
- Allowing the removal of an ID tag from a keg of beer purchased by that individual.
- Providing false information in the purchase of beer in a keg.

The bill specifies that Section 1029 would require the attaching of a tag to a beer keg sold at retail for use by a member of the general public and would not require a retailer or licensee to attach a tag to a keg that was being used for on-premises consumption only, being stored, or being transported.

The bill also states that Section 1029 would not prohibit a Commission agent or a law enforcement agent from returning an untagged keg and receiving the keg deposit.

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 identification tags for beer kegs and prescribe receipts to document keg sales. The cost of the 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 to the General Fund. To the extent that the bill increased the LCC's costs, the General Fund contribution would be reduced.

The bill also would provide for administrative fines against retailers who were not in compliance with the keg tag and receipt requirements. Any revenue from administrative fines 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.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.