

REQUIRE TAGS ON BEER KEGS: REPEAL

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Senate Bill 372 as passed by the Senate

Sponsor: Sen. Goeff Hansen

House Committee: Regulatory Reform

Senate Committee: Regulatory Reform

Complete to 9-25-17

Analysis available at

<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 372 would repeal Section 1030 of the Michigan Liquor Control Code, MCL 436.2030), which requires that all kegs of beer sold at retail have an attached identification tag, requires ID and a signature to purchase a keg, and which provides an administrative fine for retailers and a criminal penalty for consumers for certain violations. The bill would take effect 90 days after enactment.

Briefly, provisions of Section 1030 currently require a liquor retailer (e.g., party store) to do the following:

- Attach an identification tag, prescribed by the Michigan Liquor Control Commission (LCC), to a beer keg before or at the time of sale.
- Post a sign supplied by the LCC stating the keg deposit will not be returned if the tag is not attached, among other things.
- Require the purchaser to present a driver license or state ID card and complete and sign a receipt.
- Refuse to return a keg deposit if a keg was returned without the tag attached.
- Retain a deposit as specified in departmental rules.
- Retain a copy of a receipt for at least 30 days.

A retailer who violates Section 1030 is subject to an administrative fine of not more than \$50 for failing to attach an identification tag to a keg, intentionally failing to complete the receipt, or failing to obtain the purchaser's signature on the receipt.

A person who is not licensed as a retailer or wholesaler and who removes a tag from the keg, allows the removal of the tag from a keg he or she had purchased, and/or who provides false information when purchasing a beer keg is guilty of a misdemeanor punishable by imprisonment for not more than 93 days and/or a fine of not more than \$500.

FISCAL IMPACT:

Senate Bill 372 would likely create minimal savings for the Department of Licensing and Regulatory Affairs and no fiscal impact on other units of state or local government. The bill would eliminate a requirement that kegs have an identification tag that is prescribed by the Michigan Liquor Control Commission (MLCC). LARA has indicated that the last expenditure for keg tags and receipt books for the program occurred in April of 2015, and

was financed with \$33,050.00 from the Liquor Purchase Revolving Fund (LPRF). Savings on expenditures financed by the LPRF would result in increased monies for the General Fund, since LPRF profits lapse to that fund.

With the elimination of the beer keg tag, the misdemeanor penalty would also be eliminated. Elimination of misdemeanor charges would result in reduced costs related to county jails and/or local misdemeanor probation supervision. The costs of local incarceration in county jails and local misdemeanor probation supervision vary by jurisdiction. Caseloads for local court systems could be reduced, as well as the related administrative costs. There could also be a decrease in penal fine revenues which would decrease funding for local libraries, which are the constitutionally designated recipients of those revenues.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.