Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 372 (as reported without amendment)
Sponsor: Senator Goeff Hansen
Committee: Regulatory Reform

CONTENT

The bill would repeal Section 1030 of the Michigan Liquor Control Code, which regulates the retail sale of beer in a keg. Specifically, Section 1030 requires a retailer selling beer in a keg to do all of the following:

-- Attach an identification tag, as prescribed by the Michigan Liquor Control Commission, on the keg before or at the time of the sale.
-- Require the purchaser to complete and sign a receipt after presenting a driver license or State of Michigan identification card.
-- Refuse to return the keg deposit if the identification tag is not attached when returned.
-- Retain a keg deposit as described under the Michigan Administrative Code.

Section 1030 also prohibits a retailer from selling beer in a keg to a customer who does not possess a driver license or State of Michigan identification card.

A retailer who has failed to apply an identification tag on a keg, intentionally failed to complete the receipt as prescribed by the Commission, or failed to obtain the purchaser's signature on the receipt is liable for an administrative fine of not more than $50. A person who is not a retailer or a wholesaler licensed by the Commission is guilty of a misdemeanor punishable by imprisonment for up to 93 days or a maximum fine of $500, or both, for removing an identification tag from a keg containing beer; allowing the removal of an identification tag from a keg of beer purchased by that individual; or providing false information in the purchase of beer in a keg.

MCL 436.2030 Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have a small positive fiscal impact on the Michigan Liquor Control Commission (MLCC) and no fiscal impact on local units of government. According to the MLCC, the annual cost to administer the beer keg tag program is about $23,000. The bill would repeal the requirement for these tags, so the MLCC would presumably save on those costs each year. It is not clear whether liquor license fee revenue or revenue from the Liquor Purchase Revolving Fund (LPRF) is currently used to cover these costs, but if it is the latter, then the cost savings would directly benefit the State General Fund, as the LPRF's profits lapse to the General Fund each year.

Date Completed: 5-18-17 Fiscal Analyst: Josh Sefton