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SFA

BILL ANALYSIS

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Senate Bill 1182 (as introduced 6-4-98)

Sponsor: Senator Dianne Byrum

Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 9-14-98

CONTENT

The bill would amend the Michigan Liquor Control Code to require a retailer selling beer in a keg to do the following:

- Attach an identification tag on the keg before or at the time of the sale of the beer.
- Require the customer to complete and sign a receipt after presentation of a driver license or State of Michigan identification card. (The retailer could not sell beer in a keg to a customer without a driver license or identification card.)
- Refuse to accept the return of the keg and refuse to return the keg deposit if the keg identification tag were not attached.

(Under the bill, the term "keg" would mean any brewery-sealed individual container having liquid capacity of six gallons or more.)

Receipt

Upon request, the Liquor Control Commission (LCC) would have to supply to retailers 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, telephone number, and driver license or State identification card number, as well as the beer keg tag number. The purchaser would have to sign the receipt.

In addition, a notice would have to be printed on the receipt in boldface type stating that the retailer would not accept return of the keg and would not return the keg deposit to the purchaser if the tag were not attached to the keg, and that the individual understood that he or she agreed not to damage the keg and not to remove or alter the attached tag. Retailers would have to retain a copy of the receipt for at least 30 days and would have to make copies available for inspection by the LCC and law enforcement agencies.

Identification Tag

The LCC would have to make identification tags available to retailers and, upon request, distribute and make available the tags in numbered lots to retailers selling beer in kegs. The tags would have to be of such size and materials as to make the tags easily removable for cleaning and reusing of the keg.

Penalties

A person in violation of the bill's provisions would be subject to the applicable sanctions.

A retailer who had failed to apply a tag on a keg, complete the receipt, or obtain the purchaser's

signature on the receipt would be liable for an administrative fine of up to \$500. A person who was not a retailer or a licensed wholesaler who had possessed a keg without a tag or who had provided false information, would be guilty of a misdemeanor punishable by imprisonment for up to 93 days and/or a fine of up to \$500.

Exceptions

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

In addition, the bill would not prohibit an LCC agent or a law enforcement agent from returning an untagged keg and receiving the keg deposit.

Legislative Intent

A local unit of government could not enact an ordinance that would conflict with the bill. The bill states a legislative intent that the bill preempt any ordinance enacted in contravention of the bill. The bill's remedies would be cumulative, and the bringing of criminal action would not prohibit the bringing of a civil or administrative action as provided by law.

Proposed MCL 436.2012

Legislative Analyst: N. Nagata

FISCAL IMPACT

According to the Michigan Liquor Control Commission, it is difficult to estimate what the cost of this new program would be without knowing the cost of manufacturing these tags, and the number of kegs sold annually by licensees. A previous estimate done by the Commission for the possible creation and distribution of a warning sticker program outlined costs for initial implementation. The cost of creating and ordering the forms and stickers was estimated to be approximately \$10,000, and postage approximately \$7,500. The annual cost of supplies and materials for future years was estimated to be \$4,000.

It is important to note that any additional cost incurred by the Commission would be funded with Liquor Purchase Revolving Fund revenue. Any additional cost charged to this Fund reduces the amount that lapses to the General Fund at the end of the fiscal year.

Fiscal Analyst: M. Tyszkiewicz