

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE

House Bill 339 (Delegate Pena-Melnyk, *et al.*)
 Economic Matters

Alcoholic Beverages - Beer Keg Sales - Registration Form

This bill requires an identifying number from a keg purchaser's driver's license, passport, or military identification card to be recorded on the registration form affixed to the keg.

The bill takes effect July 1, 2008.

Fiscal Summary

State Effect: General fund expenditures would increase by \$4,500 in FY 2009 due to implementation costs at the Comptroller's Office. Revenues would not be affected.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	4,500	0	0	0	0
Net Effect	(\$4,500)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Minimal impact on retail establishments licensed to sell kegs.

Analysis

Current Law: A person licensed to sell beer in kegs at retail is required to provide each purchaser with a registration form that affixes to the keg. The licensed establishment is required to retain a copy of the registration form on premises for 30 days.

The registration form must include the name, address, and registration number of the establishment licensed to sell the keg. The registration form must also include the date of purchase, the purchaser's name, and the purchaser's address as listed on identification.

It is a civil offense for a person, other than an appropriate alcoholic beverages licensee, to be in possession of an unregistered keg. Furthermore, it is a civil offense for an individual to remove, alter, obliterate, or allow to be removed a registration affixed to a keg.

Background: Keg registration allows tracking of beer kegs from the time of purchase to the time the empty keg is returned to a vendor. The purpose of these laws is to deter adults from providing keg beer to minors and to identify and punish those who do. The laws are also designed to protect distributors from being accused of selling beer kegs to underage consumers.

As of January 1, 2007, at least 29 states have enacted legislation requiring keg registration. Of these, at least 26 require that the name and address collected be the same as listed on government issued identification. Also, six of these states collect additional information that may aid law enforcement efforts, such as the location where the keg is to be consumed.

State Expenditures: General fund expenditures could increase by \$4,500 in fiscal 2009 for one-time implementation costs. The Comptroller's Office advises that current keg registration forms could be adapted to record the purchaser's identification number. The bill would require the Comptroller's Office to send a bulletin to licensed retail establishments explaining the new registration requirements. A one-time expense of \$4,500 would be incurred for the printing and mailing of the bulletin.

Small Business Effect: Businesses licensed to sell kegs at retail would be required to record additional information about each keg purchaser. The impact of this additional requirement is expected to be minimal.

Additional Information

Prior Introductions: None.

Cross File: SB 9 (Senator Rosapepe) – Education, Health, and Environmental Affairs.

Information Source(s): Comptroller's Office, Anne Arundel County, Garrett County, Montgomery County, National Institute of Alcohol Abuse and Alcoholism, National Highway Traffic Safety Administration, Department of Legislative Services

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