

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 892*

Short Title: Regulate Sale of Malt Beverage Kegs.

(Public)

Sponsors: Representative Alexander.

Referred to: Commerce.

March 24, 2005

1 A BILL TO BE ENTITLED
2 AN ACT REGULATING THE SALE OF KEGS CONTAINING MALT BEVERAGE.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Article 10 of Chapter 18B of the General Statutes is amended
5 by adding a new section to read:

6 "**§ 18B-1010. Keg sales of malt beverages.**

7 (a) As used in this section a 'keg' is a container capable of holding at least seven
8 and three-quarters gallons of malt beverage.

9 (b) The sale of malt beverages in kegs is subject to all of the following:

10 (1) Every keg of malt beverages supplied for sale by a malt beverage
11 wholesaler to a permittee other than a hotel, restaurant, or private club
12 shall be marked with a permanent identification number and shall also
13 be tagged with a uniquely numbered and coded tag that meets all of the
14 following requirements:

15 a. It shall be issued by the Alcohol Law Enforcement Division to
16 the malt beverage retailer upon the payment of a fee that shall
17 cover the cost of producing the tag.

18 b. It shall be used for a single sale of the marked keg.

19 c. It shall be removed from the keg upon the keg's return to the
20 malt beverage wholesaler and maintained with the records of
21 the sale.

22 d. It shall be returned to the Alcohol Law Enforcement Division
23 semiannually for destruction.

24 (2) The retail seller of the keg shall require the retail purchaser of the keg
25 to complete a form that is provided to the retail seller by the Alcohol
26 Law Enforcement Division upon the payment of a fee covering the
27 cost of producing the form. The form shall include all of the following:

28 a. The retail purchaser's name.

29 b. The retail purchaser's address.

- 1 c. The retail purchaser's telephone number.
2 d. The retail purchaser's date of birth, verified by viewing the
3 purchaser's drivers license.
4 e. The keg's identification number.
5 f. The keg's unique tag number or code.
6 g. The specific address or location where the malt beverage in the
7 keg will be consumed and the date or dates on which it will be
8 consumed.
9 h. The form will summarize all of the following information:
10 1. The requirements of this section.
11 2. The penalties for violating any provision of this section.
12 3. The penalties for providing malt beverages to underage
13 persons.
14 i. The signature of the retail purchaser.
15 (3) The retail purchaser shall return the coded tag along with the keg to the
16 retail seller. The retail seller shall remove the coded tag and return the
17 keg to the beverage wholesaler. The coded tag shall be retained by the
18 retail seller along with a copy of the signed form required by
19 subdivision (2) of this subsection for a period of three years from the
20 date of purchase. The from and the information contained on it are
21 public records.
22 (4) The retail seller shall collect from the retail buyer, in addition to any
23 other costs, a deposit in the amount of fifty dollars (\$50.00)
24 guaranteeing that the coded tag shall not be defaced or removed and if
25 it is, then the retail seller shall keep the deposit as liquidated damages
26 for the defacing or removal of the tag.
27 (5) The retail seller shall report the following to the Alcohol Law
28 Enforcement Division and to its local law enforcement agency:
29 a. The failure of a retail buyer to return a keg.
30 b. The defacing of a coded tag attached to a returned keg.
31 c. The removal of a coded tag from a returned keg.
32 (c) Penalties. – The following penalties shall apply to violations of the provisions
33 of this section:
34 (1) Any person who defaces or removes the identification tag provided by
35 the Alcohol Law Enforcement Division on a keg or who possesses an
36 unlabeled or untagged keg shall be guilty of a Class 1 misdemeanor
37 and upon conviction shall be fined not less than fifty dollars (\$50.00),
38 imprisoned, or both in the discretion of the court.
39 (2) Any person who fails either to return a keg or to provide the retail
40 seller with the reason for the failure for the return of the keg within 30
41 days after purchase shall be guilty of a Class 1 misdemeanor, and upon
42 conviction shall be fined not less than fifty dollars (\$50.00),
43 imprisoned, or both in the discretion of the court.

1 (3) Any permittee that fails to obtain, record, maintain, or report the
2 information required by this section or fails in any other way to
3 comply with the requirements of this section shall have its permit
4 revoked by the Commission in accordance with the policies of the
5 Commission.

6 (4) If a person sold a malt beverage in compliance with the provision of
7 this section and any rules adopted pursuant to this section, then it shall
8 be a defense in any criminal prosecution or proceeding or civil or
9 administrative action under this section."

10 **SECTION 2.** This act becomes effective December 1, 2005, and applies to
11 offenses committed on or after that date.