

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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HOUSE BILL 892\*  
Committee Substitute Favorable 5/25/05  
Committee Substitute #2 Favorable 6/8/05  
Committee Substitute #3 Favorable 8/23/05

Short Title: Regulate Sale of Malt Beverage Kegs.

(Public)

Sponsors:

Referred to:

March 24, 2005

1 A BILL TO BE ENTITLED  
2 AN ACT REGULATING THE SALE OF KEGS CONTAINING MALT  
3 BEVERAGES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Article 3 of Chapter 18B of the General Statutes is amended  
6 by adding a new section to read:

7 "**§ 18B-310. Keg sales of malt beverages.**

8 (a) As used in this section, the term 'keg' means a container capable of holding at  
9 least seven and three-quarters gallons of malt beverage.

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

11 (1) Every keg of malt beverages resold by a retail seller, while outside the  
12 retail seller's possession or control, shall be tagged with a uniquely  
13 numbered and coded tag or adhesive label that meets all of the  
14 following requirements:

15 a. It shall be issued by the Alcoholic Beverage Control  
16 Commission to the malt beverage retailer.

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

18 (2) The retail seller of the keg shall require the retail purchaser of the keg  
19 to complete a form that is provided to the retail seller by the Alcoholic  
20 Beverage Control Commission. The form shall include all of the  
21 following:

22 a. The retail purchaser's name.

23 b. The retail purchaser's address.

24 c. The retail purchaser's telephone number.

25 d. The retail purchaser's date of birth, verified by viewing a valid  
26 drivers license, a special identification card issued under  
27 G.S. 20-37.7, a military identification card, or a passport

1                   showing his age to be at least the required age for purchase and  
2                   bearing a physical description of the person named on the card  
3                   reasonably describing the purchaser.

4                   e. The keg's unique tag number or code.

5                   f. The date the keg is due to be returned.

6                   g. The form will summarize all of the following information:

7                   1. The requirements of this section.

8                   2. The penalties for violating any provision of this section.

9                   3. The penalties for providing malt beverages to underage  
10                   persons.

11                   h. The signature of the retail purchaser.

12                   (3) The retail purchaser shall return the coded tag or adhesive label along  
13                   with the keg to the retail seller. The retail seller shall remove the coded  
14                   tag or adhesive label and return the keg to the beverage wholesaler.  
15                   The retail seller shall maintain a copy of the signed form required by  
16                   subdivision (2) of this subsection for a period of one year from the date  
17                   of purchase. The signed form shall be made available to law  
18                   enforcement personnel upon request.

19                   (c) The Alcoholic Beverage Control Commission shall charge fees to the malt  
20                   beverage retailer to cover the costs connected with producing and distributing the coded  
21                   tag or adhesive label and the forms required under subdivisions (b)(1) and (b)(2) of this  
22                   section and maintaining a database of registration numbers issued to permitted retailers.  
23                   Notwithstanding any other provision of law, fees collected by the Commission pursuant  
24                   to this subsection shall be credited to the ABC Commission Fund established by  
25                   G.S. 18B-208(b) and, at the end of each fiscal year, the Commission shall transfer from  
26                   that fund to the General Fund any fee revenue collected pursuant to this subsection that  
27                   exceeds the actual costs upon which the fees are based.

28                   (d) The following penalties shall apply to violations of the provisions of this  
29                   section:

30                   (1) Any person, other than an ABC permittee or law enforcement officer  
31                   or agent, who defaces or removes the coded tag or adhesive label  
32                   provided by the Alcoholic Beverage Control Commission on a keg or  
33                   who possesses an unlabeled or untagged keg containing or having  
34                   contained malt beverages shall be guilty of a Class 1 misdemeanor and  
35                   shall be fined not less than fifty dollars (\$50.00).

36                   (2) Any retail purchaser who fails either to return a keg or to provide the  
37                   retail seller with the reason for the failure to return the keg within 30  
38                   days of the date the keg is due to be returned shall be guilty of a Class  
39                   1 misdemeanor and shall be fined not less than fifty dollars (\$50.00)."

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