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## Commerce & Gaming Committee

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### HB 2319

**Brief Description:** Concerning the sale of liquor in kegs or containers containing four gallons or more of liquor.

**Sponsors:** Representatives Fitzgibbon and Vick.

#### Brief Summary of Bill

- Eliminates the requirement that the Liquor and Cannabis Board (LCB) adopt and administer a keg-identification program for sales of kegs and other containers of four gallons or more of malt liquor.
- Eliminates certain duties of sellers and lessors of kegs and containers holding or that will hold four gallons or more of malt liquor.
- Eliminates certain duties of purchasers and lessees of kegs and containers holding or that will hold four gallons or more of malt liquor.

**Hearing Date:** 1/23/20

**Staff:** Peter Clodfelter (786-7127).

#### Background:

Certain liquor licensees may sell malt liquor in kegs or containers capable of holding four gallons or more of liquid to consumers age 21 and over. Pursuant to state law, the Liquor and Cannabis Board (LCB) has adopted rules requiring retail liquor licensees to affix appropriate identification on all containers of four gallons or more of malt liquor for the purpose of tracing the purchasers. The rules may provide for identification to be done on a statewide basis or on the basis of smaller geographical areas. It is a gross misdemeanor for any person to sell or offer for sale kegs or other containers containing four gallons or more of malt liquor to consumers if the kegs or containers are not identified in compliance with the LCB's rules. Additionally, the LCB is required to develop and make available forms for a declaration and receipt that is also required as part of the transaction.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Any person who sells or offers for sale the contents of kegs or other containers containing four gallons or more of malt liquor to consumers, or who sells or leases kegs or other containers that will hold four gallons of malt liquor to consumers, has the following duties:

- to require the purchaser to sign a declaration and receipt;
- to require the purchaser to provide one piece of identification (pursuant to a repealed statute);
- to require the purchaser to sign a sworn statement, under penalty of perjury, that the purchaser is of legal age to purchase, possess, or use malt liquor, the purchaser will not allow any person under the age of 21 to consume the beverage except as otherwise authorized in law, and the purchaser will not remove or obliterate the identification required to be affixed to the container;
- to require the purchaser to state the address where the malt liquor will be consumed, or the address where the keg or container will be located; and
- to require the purchaser to maintain a copy of the declaration and receipt next to or adjacent to the keg or other container, in no event a distance greater than five feet, and visible without a physical barrier from the keg, during the time that the keg or other container is in the purchaser's possession or control.

A violation of a seller or lessor's duties is a gross misdemeanor. Purchasers and lessees also have legal duties in these transactions, violations of which are also punishable as a gross misdemeanor. A person who purchases the contents of kegs or other containers containing four gallons or more of malt liquor, or who purchases or leases the container, has the following duties:

- to provide one piece of identification (pursuant to a statute that has been repealed);
- to be of legal age to purchase, possess, or use malt liquor;
- to not allow any person under the age of 21 to consume the beverage except as otherwise authorized in law;
- to not remove or obliterate the identification required under the LCB's rules;
- to not move, keep, or store the keg or its contents, except for transporting to and from the distributor, at any place other than the address on the declaration and receipt; and
- to maintain a copy of the declaration and receipt next to or adjacent to the keg or other container, in no event a distance greater than five feet, and visible without a physical barrier from the keg, during the time that the keg or other container is in the purchaser's possession or control.

### **Summary of Bill:**

The requirement is eliminated from law that the Liquor and Cannabis Board (LCB) must adopt rules requiring retail licensees to affix appropriate identification on all containers of four gallons or more of malt liquor for the purpose of tracing the purchasers of the containers. The gross misdemeanor crime is eliminated related to selling or offering for sale kegs or containers containing four gallons or more of malt liquor to consumers if the kegs or containers are not identified in compliance with the keg identification requirements also eliminated by the bill.

The following duties of liquor licensees are eliminated for sales of kegs or containers containing four gallons or more of malt liquor, and to sales and leases of containers that will hold four gallons of malt liquor, to consumers:

- to require the purchaser to provide one piece of identification (pursuant to a previously repealed statute);

- to require the purchaser to sign a sworn statement, under penalty of perjury that the purchaser is of legal age, the purchaser will not allow any person under age 21 to consume the beverage except as otherwise authorized in law, and that the purchaser will not remove or obliterate the identification required by the LCB's rules adopted under the authority repealed by the bill;
- to require the purchaser to state the address where the malt liquor will be consumed, or the address where the keg or other container will be physically located; and
- to require the purchaser to maintain a copy of the declaration and receipt next to or adjacent to the keg or other container, in no event a distance greater than five feet, and visible without a physical barrier from the keg, during the time the keg or container is in the purchaser's possession or control.

For a purchaser in a transaction for a keg or container containing four gallons or more of malt liquor, and a purchaser or lessee of containers that will hold four gallons of malt liquor, the following requirements are eliminated:

- to provide one piece of identification (pursuant to a previously repealed statute);
- to not remove or obliterate the identification required by the LCB's rules adopted under the authority repealed by the bill;
- to not move, keep, or store the keg or its contents, except for transporting to and from the distributor, at any place other than the particular address declared on the declaration and receipt; and
- to ensure that the copy of the declaration and receipt is located next to or adjacent to the keg or other container, in no event a distance greater than five feet, and visible without a physical barrier from the keg.

The purchaser must still maintain a copy of the declaration and receipt during the time that the keg or container is in the purchaser's possession or control.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.