

Department of Legislative Services  
Maryland General Assembly  
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 150 (Senator Colburn)

Education, Health, and Environmental Affairs

Economic Matters

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Dorchester County - Alcoholic Beverages - Refillable Containers

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This bill authorizes the Dorchester County Board of License Commissioners to issue a refillable container license to a holder of a Class B or Class D alcoholic beverages license.

The bill takes effect June 1, 2013.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Under one set of assumptions, Dorchester County license fee revenues increase by approximately \$2,200 annually. Dorchester County can monitor licenses with existing resources.

**Small Business Effect:** Potential meaningful for any qualifying licensee obtaining the additional license and having refillable container sales in excess of the annual license fee.

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Analysis

**Bill Summary:** A refillable container license entitles the holder to sell draft beer for consumption off the licensed premises in a refillable container with a capacity of not less than 32 ounces and not more than 128 ounces.

The refillable container used must:

- be sealable;
- be branded with an identifying mark of the license holder;
- bear the federal health warning statement;
- display instructions for cleaning the container; and
- bear a label stating that cleaning the container is the responsibility of the consumer, and that the contents of the container are perishable and should be refrigerated immediately and consumed within 48 hours after purchase.

A refillable container license applicant must complete the form that the board provides and pay an annual license fee of \$50 if the applicant already has an off-sale privilege or \$500 if the applicant does not already have that privilege.

A refillable container license holder cannot display or provide shelving for beer in areas that are accessible to the public for off-premises consumption.

The term of a refillable container license is the same as that of the applicant's alcoholic beverage license. The bill also requires the sale of refillable containers to end at midnight, and authorizes license holders to refill only those containers that were branded by the license holder. The board is required to adopt complementary regulations, which can include limiting the number of refillable container licenses issued. Additionally, an applicant who holds an alcoholic beverages license without an off-sale privilege must meet the same advertising, posting of notice, and public hearing requirements as those for the alcoholic beverages license that the applicant holds.

**Current Law:** Statewide law prohibits any retail dealer, or agent or employee of such retail dealer, from refilling any container of alcoholic beverages with any substance whatsoever after such container has once been emptied of its original contents, except in Baltimore City and Howard County.

The General Assembly adopted legislation in 2012 pertaining to refillable beer containers in Baltimore City and Howard County. Chapters 92 and 93 (HB 401/SB 874) authorized the Baltimore City Board of License Commissioners to issue refillable container licenses, and Chapter 412 (HB 1047) allowed the Howard County Board of License Commissioners to issue refillable container permits.

**Background:** In the retail alcoholic beverages industry, refillable containers are commonly called "growlers."

**Local Revenues:** There are 73 alcoholic beverages licenses in Dorchester County, of which 28 are Class B licenses and 3 are Class D licenses. Accordingly, 31 licenses

qualify for a refillable container license under the bill, of which only 15 licensees do not currently have off-sale privileges. The number of qualified licensees which would seek and obtain the additional “growler” license is unknown. *For purposes of illustration*, if 25% of the 16 qualified licensees with off-sale privileges seek the new license and pay an additional \$50 per license (in addition to their current license fee), Dorchester County revenues would increase by \$200 annually (4 licensees x \$50). In addition, if the same percentage of the remaining 15 qualified licensees without off-sale privileges seek the new license and pay the additional \$500 per license (in addition to their current license fee), Dorchester County revenues would increase by an additional \$2,000 annually (4 licensees x \$500). Accordingly, under this scenario, Dorchester County revenues would increase by an additional \$2,200 annually.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 133 (Dorchester County Delegation) - Economic Matters.

**Information Source(s):** Dorchester County, Department of Legislative Services

**Fiscal Note History:** First Reader - February 7, 2013  
mlm/hlb

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