

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 392 (Cecil County Senators)

Education, Health, and Environmental Affairs

Economic Matters

Cecil County - Alcoholic Beverages - Refillable Containers

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

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: None.

Local Effect: Under one set of assumptions, Cecil County license fee revenues increase by approximately \$200 annually. Cecil 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.

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.

The term of a refillable container license and the hours of sale for a refillable container license are the same as that of the applicant's alcoholic beverage license. Receipts collected under a refillable container license must be included in the calculation of average daily receipts from the sale of alcoholic beverages. The bill also authorizes license holders to refill only those containers that were branded by the license holder. The board is required to adopt implementing regulations.

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. Both counties limit the refillable container to a capacity of not more than 128 ounces.

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

Local Revenues: There are 152 alcoholic beverages licenses in Cecil County. Of that number, 29 are Class A licenses and 109 are Class B licenses, which mean that 138 licensees qualify for a refillable container license under the bill. The number of qualified licensees which would seek and obtain the additional "growler" license is unknown. *For purposes of illustration*, if 4 of the 138 qualified licensees seek the new license and pay the additional \$50 per license (in addition to their current license fee), Cecil County revenues will increase by an additional \$200 annually.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 12, 2013
mc/hlb Revised - Senate Third Reader - March 8, 2013

Analysis by: Heather N. Ruby

Direct Inquiries to:
(410) 946-5510
(301) 970-5510