

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

House Bill 145

(Anne Arundel County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

City of Annapolis - Alcoholic Beverages - Refillable Container License

This bill authorizes the Annapolis City Alcoholic Beverage Control Board to issue a refillable container license to a holder of a Class A, Class B, or Class D license.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: None.

Local Effect: Under one set of assumptions, Annapolis City license fee revenues increase by approximately \$6,000 annually. The City of Annapolis 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 a 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.

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 a license holder. The board is required to adopt implementing regulations. 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. 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 95 alcoholic beverages licenses in the City of Annapolis. Of that number, 17 are Class A licenses, 67 are Class B licenses, and 1 is a Class D license. Accordingly, 85 licenses qualify for a refillable container license under the bill, of which approximately half 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 43 qualified licensees with off-sale privileges seek the new license and pay an additional \$50 per license (in addition to their current license fee), Annapolis City revenues would increase by \$550 annually (11 licensees x \$50). In addition, if the same percentage of the remaining 42 qualified licensees without off-sale privileges seek the new license and pay the additional \$500 per license (in addition to

their current license fee), Annapolis City revenues would increase by an additional \$5,500 annually (11 licensees x \$500). Accordingly, under this scenario, Annapolis City revenues would increase by an additional \$6,050 annually.

Additional Information

Prior Introductions: None.

Cross File: SB 244 (Senator Astle - Education, Health, and Environmental Affairs).

Information Source(s): City of Annapolis, Department of Legislative Services

Fiscal Note History: First Reader - February 6, 2013
mc/hlb Revised - House Third Reader - March 13, 2013
Revised - Enrolled Bill - May 7, 2013

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