

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 990 (Delegate James)
Economic Matters

Harford County - Alcoholic Beverages - Refillable Containers

This bill authorizes the Harford County Board of License Commissioners to issue a refillable container permit to a holder of a Class A-1 or A-2 alcoholic beverages license, a Class B alcoholic beverages license that has off-sale privileges, or a Class D alcoholic beverages license. The board may adopt regulations to implement the bill.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None.

Local Effect: Minimal increase in local revenues from additional permit fees (\$50 annually for each permit applicant). Harford County can monitor permits with existing resources.

Small Business Effect: Minimal overall, but potential meaningful for any qualifying licensee obtaining the additional permit and having refillable container sales in excess of the annual permit fee.

Analysis

Bill Summary: A refillable container permit 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 permit holder;
- bear a specified 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.

All labels and warnings required under the bill must be preprinted on the refillable container and a holder of a refillable container permit may not affix a corrective label or warning to the refillable container.

A refillable container permit applicant must pay an annual permit fee of \$50. A refillable container permit holder may refill only a refillable container that was branded by a refillable container permit holder in the county and must seal the refillable container at the time of each refill. The term of and hours of sale for a refillable container permit are the same as those of the applicant's alcoholic beverages license.

Current Law: On the manufacturer's level, the Comptroller is authorized to issue a refillable container permit to a holder of a brewery license. On the retail level, 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 Annapolis and Baltimore cities and Anne Arundel, Caroline, Cecil, Dorchester, Garrett, Howard, Montgomery, Queen Anne's, St. Mary's, and Wicomico counties. In these jurisdictions, the respective board of license commissioners may issue refillable container permits for draft beer. Additionally, the Howard County Board of License Commissioners may issue a refillable container license for wine.

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

Local Revenues: There are 198 alcoholic beverages licenses in Harford County, of which 53 are Class A licenses, 112 are Class B licenses, and 7 are Class D licenses. Accordingly, 172 licensees qualify to apply for a refillable container permit under the bill. The number of qualified licensees which seek and obtain the additional "growler" permit is unknown, but Harford County estimates the board issues up to 10 permits to licensees with off-sale privileges under the bill. *For purposes of illustration*, if 10 qualified licensees with off-sale privileges seek the new permit and pay an additional

\$50 per permit (in addition to their current license fee), Harford County revenues increase by \$500 annually (10 licensees x \$50).

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Harford County, Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2014
ncs/lgc

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