

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1079
Economic Matters

(Calvert County Delegation)

Education, Health, and Environmental Affairs

Calvert County - Alcoholic Beverages - Refillable Container Permit

This bill authorizes the Calvert County Board of License Commissioners to issue a refillable container permit to a holder of a Class A, Class B, or Class D alcoholic beverages license. The board must 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 for each permit applicant with an off-sale privilege and \$500 for each license applicant that does not have an off-sale privilege). Calvert 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 instruction 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 permit applicant must complete the form that the board provides and pay an annual permit 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 permit is the same as that of the applicant's alcoholic beverages license. The bill also requires the sale of refillable containers to end at midnight, and authorizes permit holders to refill only those containers that were branded by a permit holder. 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: On the manufacturer's level, the Comptroller is authorized to issue a refillable container permit to a holder of a brewery license. Holders of Class 7 micro-brewery (on- and off-sale) licenses in 23 jurisdictions – Allegany, Anne Arundel, Baltimore, Calvert, Caroline, Carroll, Charles, Dorchester, Frederick, Garrett, Harford, Howard, Kent, Montgomery, Prince George's, Queen Anne's, St. Mary's, Talbot, Washington, Wicomico, and Worcester counties; Baltimore City; and Annapolis may sell beer brewed under the license to customers for consumption off the licensed premises in refillable containers that are sealed by the licensee at the time of each refill.

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 116 alcoholic beverages licenses in Calvert County, of which 41 are Class A licenses, 59 are Class B licenses, and 8 are Class D licenses. Accordingly, 108 licenses qualify for a refillable container permit under the bill. The number of qualified licensees which seek and obtain the additional “growler” permit is unknown. Therefore, the increase in local revenues from additional permit fees is unknown, but Calvert County estimates that local revenues increase by \$750 annually. *For purposes of illustration*, if 15 qualified licensees with off-sale privileges seek the new permit and pay an additional \$50 per permit (in addition to their current license fee), Calvert County revenues increase by \$750 annually (15 licensees x \$50).

Additional Information

Prior Introductions: None.

Cross File: None designated; however, SB 341 (Calvert County Senators – Education, Health, and Environmental Affairs) is identical.

Information Source(s): Calvert County, Comptroller’s Office, Department of Legislative Services

Fiscal Note History: First Reader - February 12, 2014
mm/lgc Revised - Enrolled Bill - April 23, 2014

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