

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

House Bill 401

(Delegate McHale, *et al.*)

Economic Matters

Education, Health, and Environmental Affairs

Baltimore City - Alcoholic Beverages - Refillable Containers

This bill authorizes the Baltimore City Board of License Commissioners to issue a refillable container license to a holder of any class of alcoholic beverages license issued by the board, except a Class C license or a Class M-G (municipal golf course) license.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: None.

Local Effect: Under one set of assumptions, Baltimore City license fee revenues increase by approximately \$20,000 annually. Expenditures are not affected.

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 must be sealable, branded with an identifying mark of the license holder, bear the federal health warning statement, display instructions for cleaning the container, 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-premises sale privilege or \$500 if the applicant does not already have that privilege.

The bill also requires the sale of refillable containers to end at midnight, and authorizes license holders to refill only those containers that were purchased and branded by the license holder. The board is required to adopt implementary regulations.

Current Law: No retail dealer, or agent or employee of such retail dealer of alcoholic beverages in Maryland may refill any container of alcoholic beverages with any substance whatsoever after such container has once been emptied of its original contents.

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

Local Revenues: There are 1,237 alcoholic beverages licenses in Baltimore City, including 448 B-D-7 licenses. Of that number, 85 are Class C licenses, which means that 1,152 licenses would qualify for a refillable container license under the bill. The board reports that between 50 and 75 of the qualifying licenses do not currently have off-premises 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 1,100 qualified licensees with off-premises privileges seek the new license and pay an additional \$50 per license (in addition to their current license fee), Baltimore City revenues will increase by \$13,750 annually (275 licensees x \$50). In addition, if the same percentage of the remaining 52 qualified licensees without off-premises privileges seek the new license and pay the additional \$500 per license (in addition to their current license fee), Baltimore City revenues will increase by an additional \$6,500 annually (13 licensees x \$500). Accordingly, under this scenario, total Baltimore City revenues will increase by an additional \$20,250 annually (\$13,750 + \$6,500).

Additional Information

Prior Introductions: None.

Cross File: SB 874 (Senator Ferguson) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 22, 2012
mc/hlb Revised - House Third Reader - March 30, 2012

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