

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

House Bill 275
Economic Matters

(Wicomico County Delegation)

Education, Health, and Environmental Affairs

Wicomico County Liquor Act of 2013

This bill makes numerous changes to the alcoholic beverages law in Wicomico County and authorizes the Wicomico County 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, Class D license, Class B-Conference Center license, or Class B-Stadium license.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: None.

Local Effect: Under one set of assumptions, Wicomico County license fee revenues increase by approximately \$5,000 annually. Wicomico County can monitor licenses with existing resources.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The bill authorizes the Wicomico County 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, Class D license, Class B-Conference Center license, or Class B-Stadium license. 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 \$500. Receipts collected under a refillable container license must be included in the calculation of average daily receipts from the sale of alcoholic beverages under a Class B restaurant license, Class B hotel license, and Class B golf course license.

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 the license holder. The board is authorized to adopt implementing regulations. Also, 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.

Additionally, the bill (1) allows a holder of a Class B beer and light wine on-sale (stadium) license to sell light wine and beer in aluminum containers and eliminates the requirement that light wine be sold with meals at the stadium; (2) increases the number of days which beer, wine, or beer and wine sampling or tasting events may be held to 50 in any period for which a license is in effect; (3) repeals the Board of License Commissioners' authority to determine the time by which establishments must stop serving alcohol on New Year's Eve Day; and (4) allows a holder of a Class B hotel and restaurant alcoholic beverages license and Class B beer, wine, and liquor (golf course) license to begin selling alcoholic beverages at 10 a.m. on Sunday.

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.

A holder of a Class B beer and light wine on-sale (stadium) license may sell light wine if it is sold with meals, and light wine and beer must be sold in plastic, styrofoam, or paper containers, except in enclosed dining premises where glass containers are allowed.

Beer, wine, or beer and wine sampling or tasting events may not exceed 20 days in any period for which a license is in effect.

The Wicomico County Board of License Commissioners determines the hour that establishments must stop serving alcoholic beverages on New Year's Eve Day and New Year's Day morning, regardless of what days December 31 and January 1 fall on.

The sale of beer, wine, and liquor at Class B hotel and restaurant licensed locations and Class B beer, wine, and liquor (golf course) licensed locations in Wicomico County on Sundays begins at 12:30 p.m. and extends through 12 midnight.

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

Local Revenues: There are 154 alcoholic beverages licenses in Wicomico County, of which 131 licenses 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 10 of the 131 qualified licensees seek the new license and pay an additional \$500 per license (in addition to their current license fee), Wicomico County revenues would increase by \$5,000 annually.

Small Business Effect: Small businesses that obtain the additional "growler" license and have refillable container sales in excess of the annual license fee will benefit. Revenues for small businesses in Wicomico County may also increase from expanding the hours for sale for some holders of alcoholic beverages licenses and increasing the number of days which beer, wine, or beer and wine sampling or tasting events may be held.

Additional Information

Prior Introductions: None.

Cross File: SB 349 (Senators Colburn and Mathias) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 8, 2013
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