

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 61 (Delegate Vitale)
Economic Matters

Anne Arundel County - Alcoholic Beverages - Refillable Wine Containers

This bill authorizes the holder of a refillable container license in Anne Arundel County to sell wine for consumption off the licensed premises in a refillable container with a capacity of not less than 17 ounces and not more than 34 ounces if the holder is licensed to sell wine in Anne Arundel County. The bill also specifies that only containers that contain beer must bear a label stating that the contents of the container are perishable and should be refrigerated immediately and consumed within 48 hours after purchase.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None.

Local Effect: Minimal increase in local revenues from additional license fees (\$50 for each license applicant with an off-sale privilege and \$500 for each license applicant that does not have an off-sale privilege). Anne Arundel County can monitor licenses with existing resources.

Small Business Effect: Overall minimal, but potential meaningful for eligible license holders that sell wine in refillable containers.

Analysis

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.

Chapter 117 of 2013 authorized the holder of a refillable container license in Howard County to sell wine for consumption off the licensed premises in a refillable container with a capacity of not less than 17 ounces and not more than 34 ounces if the license holder is licensed to sell wine.

The Anne Arundel County Board of License Commissioners is authorized, pursuant to Chapter 604 of 2013, to issue a refillable container permit to a holder of a Class A, a Class B, or a Class D license. The 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 \$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 Act 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 a license 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.

Background: In fiscal 2013, there were 492 alcoholic beverages licenses in Anne Arundel County, all of which were authorized to sell wine. Approximately 200 alcoholic beverages licenses are authorized to sell wine off premises. Anne Arundel County issued 10 refillable container permits in fiscal 2014, all of which had existing authority to sell beer off premises.

Local Revenues: The number of qualified licensees which will seek and obtain a refillable container license to sell wine is unknown. Therefore, the increase in local revenues from additional license fees is unknown. *For purposes of illustration*, if four qualified licensees with off-sale privileges seek the new license and pay an additional \$50 per license (in addition to their current license fee), Anne Arundel County revenues increase by \$200 annually (four licensees x \$50). In addition, if one qualified licensee without off-sale privileges seeks the new license and pays the additional \$500 per license (in addition to the current license fee), Anne Arundel County revenues increase by an additional \$500 annually. Accordingly, under this illustrative example, Anne Arundel County revenues increase by an additional \$700 annually.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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mc/lgc

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