

Department of Legislative Services  
Maryland General Assembly  
2015 Session

FISCAL AND POLICY NOTE

House Bill 835  
Economic Matters

(Washington County Delegation)  
Education, Health, and Environmental Affairs

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Alcoholic Beverages - Washington County - Refillable Container Permit

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This bill authorizes the Washington County Board of License Commissioners to issue a refillable container permit for draft beer to the holder of a Class A, Class B, or Class D license. The annual permit fee is \$500 for an applicant whose alcoholic beverages license does not have an off-sale privilege and \$50 for an applicant whose license has an off-sale privilege. The board may adopt regulations to implement the bill.

The bill takes effect July 1, 2015.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Washington County revenues increase by \$500 for every permit issued to an applicant whose alcoholic beverages license does not have an off-sale privilege and by \$50 for every permit issued to an applicant whose license has an off-sale privilege. Expenditures are not materially affected.

**Small Business Effect:** Minimal overall, but potential meaningful impact for any qualifying licensee that obtains a refillable container permit and has significant refillable container sales.

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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 seller of the container;
- 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 are perishable and should be refrigerated immediately and consumed within 48 hours.

The Comptroller may adopt standards for containers that qualify for use in Washington County as refillable containers for beer, including containers that originate from outside the State. A refillable container that originates from inside or outside the State may be refilled as long as the container meets any standards adopted by the Comptroller.

The term of a refillable container permit is the same as that of the applicant's underlying license. The hours of sale for a refillable container permit begin at the same time as the applicant's alcoholic beverages license and end at midnight.

An applicant without an off-sale privilege must meet the same advertising, posting of notice, and public hearing requirements as those for the license that the applicant holds.

**Current Law:** Statewide law prohibits any retail dealer, or agent or employee of a retail dealer, from refilling any container of alcoholic beverages with any substance after the container has been emptied of its original contents, except in specified jurisdictions which authorize the sale of alcoholic beverages in refillable containers.

Chapter 518 of 2014 standardized requirements for refillable containers used in the sale of draft beer or wine for off-premises consumption across the State. A permit holder may refill a refillable container originating from inside or outside the State that meets the following requirements, as well as any other standards for refillable containers adopted by the Comptroller.

- A refillable container for beer must have a capacity of not less than 32 ounces and not more than 128 ounces and 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.
- A refillable container for wine must have a capacity of not less than 17 ounces and not more than 34 ounces.

- A refillable container used for beer or wine must (1) be sealable; (2) be branded with an identifying mark of the seller of the container; (3) bear a specified federal health warning statement; (4) display instructions for cleaning the container; and (5) bear a label stating that cleaning the container is the responsibility of the consumer.

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

In fiscal 2014, there were 103 Class A, Class B, and Class D licenses issued for use in Washington County.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 633 (Washington County Senators) - Education, Health, and Environmental Affairs.

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

**Fiscal Note History:** First Reader - February 19, 2015  
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