

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 634

(Caroline County Senators)

Education, Health, and Environmental Affairs

Economic Matters

Caroline County - Alcoholic Beverages - Refillable Container Permit

This bill authorizes the Caroline County Board of License Commissioners to issue a refillable container permit for draft beer to the holder of a Class B or Class H license. The annual permit fee is \$500. 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.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Caroline County revenues increase by \$500 for every permit issued. The county can monitor any additional permits with existing resources.

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.

Analysis

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.”

Local Fiscal Effect: In fiscal 2015, there were nine Class B licenses permitted to sell beer and two Class H licenses issued for use in Caroline County. Caroline County advises that it anticipates two licensees will apply for the refillable container permit. As a result, county revenues increase by \$1,000 annually.

Additional Information

Prior Introductions: None.

Cross File: HB 549 (Caroline County Delegation) - Economic Matters.

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

Fiscal Note History: First Reader - February 17, 2016
md/hlb

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