Department of Legislative Services

Maryland General Assembly 2015 Session

FISCAL AND POLICY NOTE

Senate Bill 299 (Harford County Senators)

Education, Health, and Environmental Affairs

Harford County - Alcoholic Beverages - Refillable Wine Container Permits

This bill expands the refillable container permit in Harford County, which currently only applies to beer, to include wine. The existing annual \$50 permit fee applicable to refillable beer container permits in Harford County applies.

The bill takes effect July 1, 2015.

Fiscal Summary

State Effect: None.

Local Effect: Harford County revenues increase by \$50 annually for each additional refillable container permit issued. Harford County can monitor licenses with existing resources.

Small Business Effect: Minimal overall, but potential meaningful positive impact for any qualifying licensee that obtains a refillable container permit for wine (or beer and wine) and has significant refillable container sales.

Analysis

Bill Summary: The bill authorizes the Harford County Liquor Control Board to issue a refillable container permit for wine or draft beer and wine to a holder of a Class A-1 or A-2 license, a Class B license that has off-sale privileges, or a Class D license. A refillable container permit for wine may only be issued to a license holder otherwise licensed to sell wine, and a refillable container permit for draft beer may only be issued to a license holder otherwise licensed to sell draft beer.

A refillable wine container permit entitles the holder 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.

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.

The Comptroller may adopt standards for containers that qualify for use in Harford County as refillable containers for wine, 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

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.

The Harford County Liquor Control Board is authorized to issue a refillable container permit for draft beer to the holder of a Class A-1 or A-2 license, a Class B license that has off-sale privileges, or a Class D license. The annual permit fee is \$50. The hours of sale for a refillable container permit for draft beer begin at the same time as the underlying alcoholic beverage license, and end at midnight.

Currently, the use of refillable containers for wine is only authorized in Howard County.

Background: In the retail alcoholic beverages industry, refillable containers are commonly called "growlers." Harford County advises that there are 11 refillable container permits for draft beer currently in effect.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office, Harford County, Department of

Legislative Services

Fiscal Note History: First Reader - February 20, 2015

min/lgc

Analysis by: Nathan W. McCurdy Direct Inquiries to:

(410) 946-5510 (301) 970-5510