

Department of Legislative Services  
Maryland General Assembly  
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 955 (Senator Brinkley)

Education, Health, and Environmental Affairs

Economic Matters

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Alcoholic Beverages - Refillable Containers - Class 5 Manufacturer's License

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This bill authorizes the Comptroller to issue a refillable container permit to a holder of a Class 5 manufacturer's (brewery) license.

The bill takes effect July 1, 2013.

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Fiscal Summary

**State Effect:** None. General fund revenues are not affected since the refillable container permit must be issued at no cost to the license holder. The Comptroller's Office can issue permits with existing resources.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful for any qualifying licensee obtaining the refillable container permit.

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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 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 Class 5 manufacturer's licensee seeking a refillable container permit must complete the form that the Comptroller provides, but there is no fee for the additional permit. The refillable container permit may be renewed each year concurrently with the renewal of the Class 5 manufacturer's license.

A Class 5 manufacturer's refillable container permit holder may only refill a container that was branded by the permit holder, and the hours for sale are the same as the hours when a guided tour, promotional event, or any other authorized organized activity may be conducted.

**Current Law:** Class 5 manufacturer's (brewery) licenses are issued by the Comptroller's Office. A Class 5 manufacturer's licensee is authorized to (1) establish and operate a plant in Maryland for brewing and bottling malt beverages at the location described in the license; (2) import beer from holders of nonresident dealer's permits; and (3) sell and deliver beer to any wholesale licensee in the State, or person outside of this State, authorized to acquire it.

A licensee is authorized to serve to a person of legal drinking age who participates in a guided tour of the facility or attends a scheduled promotional event or other organized activity at the licensed premises, no more than six samples of beer brewed at the licensed premises, with each sample consisting of no more than three ounces from a single style of beer. A licensee may also sell up to 288 ounces, per person, of beer brewed at the brewery for off-premises consumption to anyone who participates in a guided tour of the brewery or attends a scheduled promotional event or other organized activity at the licensed premises, provided the person is of legal drinking age.

The Comptroller's Office may issue a special brewery promotional event permit to a holder of a Class 5 manufacturer's license. The permit authorizes the holder to conduct on the premises of the brewery a promotional event at which the holder may (1) provide samples of no more than three fluid ounces per brand to consumers and (2) sell beer produced by the holder to persons who participate in the event. The beer at the event must be sold by the glass and for consumption on the premises only. A licensee may not be issued more than 12 permits in a calendar year and a single promotional event may not exceed three consecutive days.

**Background:** There are currently 12 Class 5 manufacturer's licenses issued in the State. In the retail alcoholic beverages industry, refillable containers are commonly called "growlers."

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Comptroller's Office, Department of Legislative Services

**Fiscal Note History:** First Reader - March 6, 2013  
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