

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 649

(Senator Astle)

Education, Health, and Environmental Affairs

Economic Matters

City of Annapolis - Alcoholic Beverages - Refillable Container Permit for Draft Beer

This bill authorizes the Annapolis City Alcoholic Beverage Control Board to issue a refillable container permit for draft beer to the holder of a Class E license.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Minimal increase in Annapolis City licensing revenues. Monitoring and enforcement of the permits can be handled with existing resources.

Small Business Effect: Potential meaningful. A small business Class E license holder in Annapolis is able to obtain a refillable container permit under the bill.

Analysis

Current Law: A Class E license is issued by the Comptroller and authorizes the owner or operator of any water vessel, ferry boat, or other vessel, used for the transportation for hire of passengers, from ports in Maryland to other ports in Maryland or to coastal ports in other states or foreign ports, or boats licensed to operate tours within Maryland waterways to sell alcoholic beverages. The annual license fee is \$150.

The City of Annapolis 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. An 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.

Chapters 517 and 518 of 2014 require any refillable container used in the State to:

- be sealable;
- be branded with an identifying mark of a 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.

Background: There were 47 Class E licenses issued by the Comptroller in fiscal 2015. Six of these licenses are issued for use in the City of Annapolis and two of these licenses have off-sale privileges.

Local Revenues: *For illustrative purposes only*, if all six Class E license holders in the City of Annapolis obtain a refillable container permit, revenues increase by a total of \$2,100 annually. The four license holders with only on-sale privileges must pay \$500 each for a permit, and the two license holders with off-sale privileges must pay \$50 each for a permit.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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kb/hlb

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