

## Impact Analysis

04 NCAC 02T .0303 LABEL CONTENTS: MALT BEVERAGES

Alcoholic Beverage Control Commission

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Authority: G.S. 18B-100, 18B-101(9), 18B-206(a), 18B-207, 18B-1001(1), (2) and (16), 27 C.F.R. 16.20 through 16.22

Impact Summary: State Government: No

Local Government: No

Substantial Economic Impact: Unlikely

This rule amendment (see proposed text in Appendix) is necessary to comply with Session Law 2013-76 that requires the North Carolina Alcoholic Beverage Control Commission to adopt rules dealing with sanitation of growlers. This rule amendment is also necessary for the health and safety of the public. The label/tag requirements both informs the public as to the contents, but also provides relevant information to track the distribution of the contents if there are problems with the product.

The proposed rule informs permittees that fill and refill growlers on demand that it is required that they affix a label or tag to the growler with specific information.

### Impact on the Private Sector

The permittees that are referenced in the proposed rule change are affected by this rule. They will need to invest in a label printer with software to print labels or they will need to have tags made to meet this requirement.

We have identified less than ten businesses that have opened to specifically provide filling and refilling of growlers on demand. Due to the requirement to have an on-premises or off-premises malt beverage permit or a wine shop permit to fill or refill growlers on demand and not a separate specific permit, unless the ABC Commission were to conduct a survey of currently permitted establishments, the Commission cannot measure the number of establishments that will offer this service.

There are approximately 19,000 on premises malt beverage, off premises malt beverage and wine shop permits that are currently valid.

Depending on the quantity, quality and size, bulk quantities of custom made tags can be purchased for approximately \$0.10 per tag, plus shipping.

Label printers with software range from \$30.00 to over \$1,000.00. Depending on the quantity, quality and size, bulk quantities of labels can be purchased for approximately \$0.07 per label, plus shipping.

Without knowing shipping costs, at a minimum it would cost the permittee \$0.07 per growler to affix a label or tag. There would also be time-related costs associated with the time spent affixing labels or tags on growlers.

Due to the ABC Commission's inability to obtain information as to the number of permittees that will offer this service and the average number of fills per day, a minimum cost for providing this service cannot be provided. Based on the cost per tag for custom-made tags (excluding shipping and time-related costs), permittees would need to purchase at least ten million (10,000,000) growler tags per year to reach the threshold for a substantial economic impact (\$1 million in aggregate impact in any 12-month period).

The Commission invites comments from stakeholders regarding the potential impact of the proposed rules on the costs, including time-related costs, involved in labeling and tagging growlers for fills and refills on demand.

### **Impact on the State Government**

There will be no impact on State government.

## APPENDIX

04 NCAC 02T .0303 is proposed for amendment as follows:

### 04 NCAC 02T .0303 LABEL CONTENTS: MALT BEVERAGES

(a) Containers that are prefilled by the manufacturer shall be affixed with ~~Malt~~ malt beverage labels that shall contain the following information in a legible form:

- (1) brand name of product;
- (2) name and address of brewer or bottler;
- (3) class of product (e.g., beer, ale, porter, lager, bock, stout, or other brewed or fermented beverage);
- (4) net contents; ~~and~~
- (5) if the malt beverage is fortified with any stimulants, the amount of each (milligrams) per ~~container.~~ container; and
- (6) the alcoholic beverage health warning statement as required by the Federal Alcohol Administration Act, 27 C.F.R. Sections 16.20 through 16.22.

(b) Growlers that are filled or refilled on demand pursuant to Rule .0309 of this Subchapter shall be affixed with a label or a tag that shall contain the following information in type not smaller than 3 millimeters in height and not more than 12 characters per inch:

- (1) brand name of the product dispensed;
- (2) name of brewer or bottler;
- (3) class of product (e.g., beer, ale, porter, lager, bock, stout, or other brewed or fermented beverage);
- (4) net contents;
- (5) if the malt beverage is fortified with any stimulants from the original manufacturer, the amount of each (milligrams) per container;
- (6) name and address of business that filled or refilled the growler;
- (7) date of fill or refill;
- (8) if the malt beverage is more than six percent alcohol by volume, the amount of alcohol by volume pursuant to G.S. 18B-101(9); and
- (9) the following statement: "This product may be unfiltered and unpasteurized. Keep refrigerated at all times."

(c) Growlers that are filled or refilled on demand pursuant to Rule .0309 of this Section shall be affixed with the alcoholic beverage health warning statement as required by the Federal Alcohol Administration Act, 27 C.F.R. Sections 16.20 through 16.22.

*History Note:* Authority G.S. 18B-100; 18B-101(9); 18B-206(a); 18B-207; 18B-1001(1), (2) and (16); 27 C.F.R. 16.20 through 16.22;

*Eff. January 1, 1982;*

*Amended Eff. October 1, 2014; April 1, 2011;*

*Temporary Amendment Eff. October 25, 2013.*