AN ACT relative to alcohol packaging.


COMMITTEE: Commerce

ANALYSIS

This bill restricts the use of certain images and phrasing in alcohol packaging that are attractive to minors.

Explanation: Matter added to current law appears in *bold italics.*
Matter removed from current law appears [in brackets and struckthrough.]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
AN ACT relative to alcohol packaging.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Advertising Restrictions. Amend RSA 179:31, VII(b) to read as follows:
   (b) Any subject matter, [or] illustrations, or packaging and labeling that the commission determines is reasonably likely to induce minors to drink including illustrations, subject matter, such as cartoons, toys, robots, fictional animals or creatures, likeness of characters or phrases, or other attributes that are consistent with products marketed towards minors. All coupon offers requiring consumer participation shall contain reference that the coupon offer is available only to persons of legal drinking age.

2 New Paragraphs; Advertising Restrictions. Amend RSA 179:31 by inserting after paragraph XIII the following new paragraphs:
   XIV. Alcohol products that are named, packaged, marketed, or designed in a way that mimics or is likely to cause confusion with commercially available, trademarked non-alcohol products, including relating to their logos, the sound of the product or brand, packaging, taste, appearance, and commercial impression are prohibited.
   XV. The liquor commission shall adopt rules, pursuant to RSA 541-A, relative to the enforcement of this section.
   XVI. An appeal to a decision rendered under RSA 179:31, VII(b) or RSA 179:31, XIV, may be made to a board composed of the chair of the liquor commission, or designee; the director of New Futures, or designee, and a representative of the New Hampshire Brewers Association, appointed by its director. A hearing, and a written decision, shall occur within 30 days of the filing of an appeal.

3 Effective Date. This act shall take effect upon its passage.
AN ACT relative to alcohol packaging.

FISCAL IMPACT: [X] State [ ] County [ ] Local [ ] None

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<th>Estimated State Impact - Increase / (Decrease)</th>
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<td>Revenue</td>
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- Does this bill provide sufficient funding to cover estimated expenditures? [X] No
- Does this bill authorize new positions to implement this bill? [X] No

METHODOLOGY:

This bill restricts the use of certain images and phrasing in alcohol packaging that are attractive to minors. The Liquor Commission currently has a review and approval process for packaging and labeling. The Commission indicates the new requirements will require a more detailed review of packaging and labels to ensure compliance. The Commission is unable to estimate the amount of additional time that will be needed to apply these new provisions to the existing review process. From January to October of 2023 the Division of Enforcement and Licensing, Examiner Unit received 3,930 labels for review and approval, an average of 393 requests per month. In the Examiner Unit, four full-time examiners perform a number of functions including collecting fees such as the beer tax and other related amounts totaling approximately $14 million per year. One of the examiners is assigned to the packaging and labeling duties. On average, 5 labels per month are deemed unqualified. When a label is initially deemed unqualified, the examiner works with the submitter to identify the problem(s) and encourages them to rework the label so it can be approved. If the changes are not made, a recommendation for denial is made to the Commission for a final decision. The Commission is not able to predict how many additional labels will be submitted in the future or how many may not comply with the requirements of this bill. The Commission cannot predict how much additional time will be
needed for the appeals board described in section 2 of the bill, but assumes additional personnel will be needed if the bill becomes law.

It is assumed that any fiscal impact would occur after FY 2024.

AGENCIES CONTACTED:
Liquor Commission