

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 311 (Montgomery County Senators)
Education, Health, and Environmental Affairs

Economic Matters

Montgomery County - Alcoholic Beverages - Special BWL Community
Performing Arts Facility License

This bill authorizes the Montgomery County Board of License Commissioners to issue a Special BWL Community Performing Arts Facility alcoholic beverages license under specified conditions and subject to specified requirements. The annual license fee is \$750.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None.

Local Effect: Montgomery County revenues increase by \$500 for each license application submitted and by \$750 annually for each license issued. Expenditures are not materially affected.

Small Business Effect: Potential meaningful. Owners or renters of community performing arts facilities that have alcoholic beverage sales in excess of the license fee and catering companies that gain employment with such facilities may benefit from the establishment of the special license.

Analysis

Bill Summary: A “community performing arts facility” is any facility used for shows, live performances, theater productions, art classes, exhibits, visual art shows, weddings, banquets, and community-related activities.

The Special BWL Community Performing Arts Facility alcoholic beverages license may only be granted to an entity that owns or leases a performing arts facility. In order to qualify for a license, the performing arts facility must have a capacity of at least 200 but no more than 1,499 people. The license cannot be transferred to another location. The licensee may sell alcoholic beverages by the drink for consumption only on the licensed premises during the hours of 10 a.m. to 2 a.m. the following day. Food must be served or provided during the hours in which alcoholic beverages are sold or consumed. The Montgomery County Board of License Commissioners may impose additional conditions on the issuance or renewal of the license in order to define the areas in the facility where alcoholic beverages may be sold, served, possessed, or consumed. A single entity may hold no more than three licenses for performing arts facilities in separate locations.

Additionally, licensed caterers are permitted to serve alcohol and food on the premises if they are contracted to do so by a Special BWL Community Performing Arts Facility licensee. Violations of alcohol provisions that occur when a caterer brings alcohol onto the licensed premises are the responsibility of the caterer and not the licensee.

Current Law: In Maryland, Class B licenses allow licensees to sell alcoholic beverages in specified hotels and restaurants for consumption on or off premises. In Montgomery County, Class B licensees must maintain gross receipts from food sales equal to or greater than that of gross receipts from alcoholic beverage sales. A fee of \$500 must be submitted with each application for an alcoholic beverages license in Montgomery County.

The Montgomery County Board of License Commissioners may issue a special Class B-BWL (performing arts facility) license to a facility used for artistic, corporate, and community-related activities that has (1) a minimum capital investment, not including real property, of \$1 million; (2) a minimum capacity of 1,500 persons; and (3) a food service facility permit and 40 seats in a food service area. The annual license fee for a Class B-BWL (performing arts facility) license is \$1,000.

Background: In Montgomery County, there are currently two performing arts facilities that are permitted to sell alcoholic beverages through a Special B-BWL license (Strathmore and Fillmore). The county reports that numerous smaller venues are eligible

for a Special BWL Community Performing Facility alcoholic beverages license under the bill, including the Black Rock Center for the Arts, Visarts, and the facility at Montgomery College.

Local Fiscal Effect: It is expected that at least one community performing arts facility will apply for and obtain a Special BWL Community Performing Arts Facility license as established by the bill. Montgomery County requires a fee of \$500 for each application for an alcoholic beverages license, and the annual fee for the new license is \$750. Thus, Montgomery County revenues increase by \$500 for each license application submitted and by \$750 annually for each license issued.

Additional Information

Prior Introductions: None.

Cross File: HB 146 (Montgomery County Delegation) - Economic Matters.

Information Source(s): Montgomery County, Department of Legislative Services

Fiscal Note History: First Reader - January 28, 2014
ncs/lgc

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