

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 1025 (Montgomery County Senators)
Education, Health, and Environmental Affairs

Montgomery County - Alcoholic Beverages - Residency Requirement Exemption

This bill exempts an applicant for an alcoholic beverages license in Montgomery County from the requirement that an applicant for an alcoholic beverages license in the State must have been a resident of a jurisdiction for two years before he or she may apply for an alcoholic beverages license in that jurisdiction. The exemption also applies to a partner in a partnership who applies for an alcoholic beverages license in Montgomery County.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None.

Local Effect: To the extent that the bill results in additional applications for and issuance of alcoholic beverages licenses in Montgomery County, Montgomery County revenues increase due to application filing fees and annual licensing fees. Although the number of additional licenses that may be issued as a result of the bill is unknown, it is assumed that Montgomery County can monitor and enforce any additional licenses with existing resources.

Small Business Effect: Minimal.

Analysis

Current Law: Generally, State law requires any applicant for an alcoholic beverages license to have been a resident of a jurisdiction for two years before he or she may apply for any alcoholic beverages license in that jurisdiction.

An alcoholic beverages license in the State may not be issued to a partnership, corporation, or a limited liability company and it may only be issued to individuals authorized to act for a partnership, corporation, or a limited liability company. The individual must assume all responsibilities for the license and, therefore, be subject to all penalties, conditions, and restrictions imposed on licensees by any applicable provisions of law. If the application is made for a partnership, the license must be applied for and issued to all the partners as individuals, all of whom must have resided in the jurisdiction that the proposed license will be used in for at least two years prior to the application.

In Montgomery County, if an application is made for a partnership, the license must be applied for and issued to at least two general partners as individuals, one of whom must be a registered voter of Montgomery County and reside there when the application is submitted.

Montgomery County charges a filing fee of \$500 for each application for an alcoholic beverages license. Annual licensing fees vary depending on the class and type of alcoholic beverages license, but generally range from \$50 to \$2,500 annually, but may be as high as \$5,000 for specified licenses.

Background: In fiscal 2013, there were 450 beer and light wine licenses; 544 beer, wine, and liquor licenses; and 995 total alcoholic beverages licenses in effect in Montgomery County.

Local Revenues: To the extent that the bill results in additional applications for and issuance of alcoholic beverages licenses in Montgomery County, Montgomery County revenues increase due to application filing fees and annual licensing fees. The number of individuals that will seek to obtain or obtain an alcoholic beverages license as a result of the bill, and any corresponding increase in filing and licensing fee revenue, cannot be reliably estimated at this time.

Additional Information

Prior Introductions: None.

Cross File: HB 960 (Montgomery County Delegation) - Economic Matters.

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

Fiscal Note History: First Reader - February 26, 2014
mc/lgc

Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510