

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE
Revised

House Bill 137

(Montgomery County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

Montgomery County - Alcoholic Beverages - Beauty Salon License
MC 9-14

This bill authorizes the Montgomery County Board of License Commissioners to issue a special beauty salon beer and wine license to a holder of a beauty salon permit. The annual license fee is \$100. The license authorizes the licensee to provide no more than five ounces of beer or wine by the glass for on-premises consumption by a beauty salon customer during specified cosmetology services and permitted fundraising events. The license may not be transferred to another location. Beer and wine may be provided during normal business hours but no later than 9 p.m. each night. Licensees are subject to specified existing alcohol awareness training requirements.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: Montgomery County revenues increase minimally from license fees. Montgomery County can monitor licenses with existing resources.

Small Business Effect: Minimal.

Analysis

Current Law: Under the Business Occupations Professions Article, a “beauty salon” is any commercial establishment, excluding barbershops, where cosmetology is practiced. “Cosmetology” includes the sale of a variety of hair, nail, and skin services but does not include merely shampooing or fitting, styling, and selling wigs or hairpieces.

In Maryland, alcoholic beverage licenses are granted by each jurisdiction's Board of License Commissioners to permit the sale and consumption of alcohol at specified places such as restaurants, taverns, hotels, clubs, or places of public entertainment. Other types of establishments cannot normally acquire a license but may be granted eligibility to apply. In Montgomery County, eligibility to apply for an alcoholic beverages license extends to theatres, corporate training centers, culinary schools, and art sale galleries.

A holder of any class of retail alcoholic beverages license or an employee of the holder in the State must complete training in an approved alcohol awareness program in order to obtain and retain a license. The program must be approved and certified by the Comptroller and it must provide information on how alcohol affects a person's body and behavior, the dangers of drinking and driving, refusing service before a customer becomes intoxicated, and determining if a customer is old enough to legally consume alcohol. The training is valid for four years.

In Montgomery County, it is unlawful for any corporation, club, or organization to sell, give, serve, dispense, keep, or allow to be consumed on its premises any alcoholic beverage unless licensed or permitted by law. This prohibition includes the serving of free alcohol with the purchase of another good or service. It is also unlawful for any person to keep or consume an alcoholic beverage on any premises open to the public other than as specifically permitted by law.

Background: In fiscal 2013, there were 995 alcoholic beverages licenses effective in Montgomery County. Of these, 450 allowed the sale of beer and wine only, and 544 allowed the sale of beer, wine, and liquor. According to the Department of Labor, Licensing, and Regulation, there are 4,700 total beauty salon permits issued in the State, 604 of which are issued for locations in Montgomery County.

Additional Comments: Because the bill specifies that beer and wine may be *provided* during cosmetology services or fundraising events, it is unclear whether a special beauty salon beer and wine license authorizes the *sale* of beer and wine or only authorizes that beer and wine be provided free of charge as part of the salon service.

Additional Information

Prior Introductions: None.

Cross File: SB 301 (Montgomery County Senators) - Education, Health, and Environmental Affairs.

Information Source(s): Department of Labor, Licensing, and Regulation; Comptroller's Office; Montgomery County; Department of Legislative Services

Fiscal Note History: First Reader - February 12, 2014
mc/lgc Revised - House Third Reader - March 24, 2014
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Analysis by: Richard L. Duncan

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