

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 1062
Economic Matters

(St. Mary's County Delegation)

Education, Health, and Environmental Affairs

**St. Mary's County - Alcoholic Beverages - Permits, Training, Prohibited Acts,
and Violations**

This bill makes multiple changes to provisions governing alcoholic beverages licenses in St. Mary's County. The bill establishes a BWT beer and wine tasting permit. The bill alters, from three ounces to two ounces, the maximum serving size of each offering of beer under a Class BWTS beer and wine tasting or sampling license. The bill requires specified licensees to attend Responsible Alcohol Service Training (RAST) offered by St. Mary's County. The bill authorizes the board to impose a fine of up to \$500 on an employee of a licensee for selling alcoholic beverages to an individual under age 21. The bill also authorizes the board to revoke or suspend the license of a person the board finds to have violated the law relating to licensing the sale of alcoholic beverages, in addition to imposing a civil penalty of up to \$1,000. Finally, the bill alters a prohibition against an owner of an unlicensed, for-profit establishment knowingly allowing customers to bring alcoholic beverages for consumption into the establishment to include the grounds of the establishment in the prohibition.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: St. Mary's County revenues increase due to additional fees collected for BWT permits and additional fines. Additional permits and any additional enforcement activity can be monitored with existing resources.

Small Business Effect: Minimal overall, but potential meaningful positive impact for any business who applies for and receives a BWT permit. The impact of attending RAST is expected to be minimal.

Analysis

Bill Summary:

BWT Permit: The bill authorizes the St. Mary's County Board of License Commissioners to issue a BWT permit to a holder of a Class A license. The permit authorizes the holder to allow on-premises consumption of beer and wine for tasting purposes only. The board may issue permits that are effective for a maximum of 26, 52, or 365 days in a licensing period. A permit holder is required to notify the board of a tasting event at least 7 days before the event if the permit is effective for only 26 or 52 days.

A BWT permit allows an individual to consume on the licensed premises up to one ounce of wine from each wine offering, not to exceed four ounces from all offerings of wine in a day. The permit allows an individual to consume on the licensed premises up to two ounces of beer from each beer offering, not to exceed eight ounces from all offerings of beer in a day. The fees for the permit are \$150 for 26 days in a license period, \$200 for 52 days in a license period, and \$250 for 365 days in a license period.

RAST: The bill requires an applicant for an alcoholic beverages license in St. Mary's County to attend a specified training within 90 days of the board's approval for a license. RAST does not fulfill the alcohol awareness training requirement under State law.

Current Law:

Class BWTS Permit: The board may issue a one-day Class BWTS beer and wine (on-premises) tasting or sampling license to a holder of a current alcoholic beverages license, or an organization that qualifies for a special Class C beer, special Class C beer and wine, or a special Class C beer, wine, and liquor license in St. Mary's County. The Class BWTS license authorizes the licensee to conduct beer and wine tasting or sampling within certain procedural guidelines, and the licensee may only be granted a special BWTS license up to 12 times in a calendar year. The license fee is \$50.

Unlicensed Establishments: An unlicensed establishment may not (1) sell or serve alcoholic beverages; (2) keep alcoholic beverages; (3) allow a customer to consume or to be served alcoholic beverages that they purchased; or (4) sell, serve, or keep component parts of mixed alcoholic drinks to a member or guest. An operator of a for-profit establishment that is not licensed may not knowingly allow a customer to bring alcoholic beverages into the establishment. A person who violates this prohibition is guilty of a misdemeanor and, if convicted, may be subject to a fine of up to \$1,000.

Alcohol Awareness Programs: Alcohol awareness programs are approved and certified by the State Comptroller. The programs must (1) include instruction on how alcohol affects

a person's body and behavior; (2) provide education on the dangers of drinking and driving; and (3) define effective methods for serving customers to minimize the chance of intoxication, ceasing service before a customer becomes intoxicated, and determining if a customer is not of legal drinking age.

With specified exceptions, a holder of any class of retail alcoholic beverages license or an employee designated by the holder must complete an approved alcohol awareness program. The program is valid for four years, at which time the individual must complete a retraining course. Individuals who complete the program are issued certificates of completion.

Licensing the Sale of Alcoholic Beverages: A person who violates the law relating to licensing the sale of alcoholic beverages is guilty of a misdemeanor and, on conviction, subject to a fine of up to \$1,000.

Background: In fiscal 2015, there were 166 alcoholic beverages licenses in effect for use at locations in St. Mary's County, including 46 Class A licenses.

Local Fiscal Effect: St. Mary's County revenues increase, by \$150, \$200, or \$250 per permit issued, depending on the number of days the permit is effective. St. Mary's County advises that a significant number of Class A license holders are expected to apply. St. Mary's County advises that the RAST training is subsidized by a grant until September 2016. After that time, county expenditures may increase to hold the training, but expenditures may be mitigated to the extent the county collects a fee for the training.

Additional Information

Prior Introductions: None.

Cross File: SB 1015 (Senator Waugh) - Rules.

Information Source(s): St. Mary's County, Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2016
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