

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1067 (Montgomery County Delegation)
Economic Matters

**Montgomery County - Alcoholic Beverages Licenses - Exemption From
Minimum Distance Restrictions**
MC 8-16

This bill authorizes the Montgomery County Board of License Commissioners to issue an alcoholic beverages license for an establishment in a specified location regardless of its distance from any school, place of worship, or youth center sponsored or conducted by a governmental agency if (1) the board votes unanimously to do so; (2) the issuance of the license does not adversely affect nearby schools, places of worship, youth centers, or the nearest residential community; and (3) the establishment otherwise qualifies for an alcoholic beverages license.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: To the extent that the bill results in additional applications for and issuance of alcoholic beverages licenses, Montgomery County revenues increase due to applicable filing and annual licensing fees. Any increase in workload to review applications and monitor and enforce newly issued licenses can be covered by the additional fee revenue obtained.

Small Business Effect: Minimal overall but potentially meaningful for any small business that applies for and obtains an alcoholic beverages license as a result of the bill.

Analysis

Bill Summary: The license may be issued for use in the mixed-use center located in Montgomery County bordered by East-West Highway, Pearl Street, Montgomery Avenue, and Waverly Street in Bethesda.

An applicant who obtains a license as a result of the bill may only keep for sale and sell alcoholic beverages for on-premises consumption; however, a holder of a Class D beer and light wine license in the bill's geographic location may obtain a Class 7 micro-brewery (on- and off-sale) license to sell beer for on- and off-premises consumption.

Current Law: The Montgomery County Board of License Commissioners requires a filing fee of \$600 with each application for an alcoholic beverages license. Annual license fees vary depending on the type of license but generally range from \$400 to \$2,500.

Distance Requirements for Alcoholic Beverage Licenses in Montgomery County

Generally, the Montgomery County Board of License Commissioners may not issue any license to sell alcoholic beverages within 750 feet of any (1) secondary or elementary school; (2) place of worship; or (3) youth center sponsored or conducted by any governmental agency. However, by majority vote, the Montgomery County Board of License Commissioners may issue a license for use at a location more than 300 feet from an elementary or secondary school, place of worship, or youth center sponsored or conducted by a governmental agency under specified conditions.

The limitation regarding distance does not apply to, affect, or prohibit the renewal, transfer, or reissuance of an alcoholic beverages license that was issued before a school, place of worship, or youth center was erected within 750 feet of the licensed premises. This restriction also does not apply to a special culinary school license that may be issued for use on the premises of a private culinary educational institution.

In specified towns and geographic locations in Montgomery County, instead of meeting the 750-foot requirement, the issuance of a license must not adversely affect any nearby schools, places of worship, youth centers, or the nearest residential community. Such a license may only be issued if the board votes unanimously to do so. Furthermore, an alcoholic beverages license issued to a restaurant in a specified geographic location in Gaithersburg is required to be at least 275 feet, instead of 750 feet, from any place of worship.

Class 7 Micro-brewery License

Class 7 micro-brewery (on- and off-sale) licenses are issued by the Comptroller's Office for use in most jurisdictions in the State. In general, the license is issued only to a holder of a Class B beer, wine, and liquor (on-sale) license that is issued for use on the premises of a restaurant with exceptions in certain jurisdictions. In Montgomery County, a Class 7 micro-brewery license may be issued to a Class H beer and light wine license holder or a Class D beer and light wine license holder. The annual license fee is \$500.

Background: In fiscal 2015, there were 1,009 alcoholic beverages licenses issued for use in Montgomery County.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 15, 2016
kb/hlb

Analysis by: Richard L. Duncan

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