

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 1077

(Washington County Senators)

Education, Health, and Environmental Affairs

Economic Matters

Washington County - Alcoholic Beverages - License Renewal Procedures

This bill makes multiple changes to the license renewal procedures for alcoholic beverages in Washington County. The bill requires that the application and required documents to renew an annual license be filed between April 1 and June 15, inclusive, instead of March 2 and April 1, inclusive. A license holder who files an application on or between June 16 and June 30 is subject to a penalty of \$50 for each day of violation. The bill requires that a license renewal application be accompanied by specified documentation; authorizes the Washington County Board of License Commissioners to issue renewed licenses for the following license year between June 15 and July 1, inclusive; and requires all renewed licenses to be dated July 1.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: The bill will have a positive impact on the operations of Washington County by allowing license holders additional time to address other business licensing and tax issues before the renewal of their alcoholic beverages license, resulting in administrative efficiencies for the board. Revenues are not affected.

Small Business Effect: Minimal overall, but potential meaningful impact for licensees who would otherwise be unable to renew their alcoholic beverages license in a timely manner due to issues with other business licenses or tax bills.

Analysis

Bill Summary: The bill provides that renewal applications must be available at the beginning of March. The Washington County Board of License Commissioners may not renew a license until the license holder, by June 15, (1) pays all *undisputed* taxes that are due under the license to the Comptroller, the municipality, and the county and (2) submits to the board a certificate of good standing from the Comptroller.

The bill requires a license renewal application to contain all required signatures that have been notarized, and to include a trader's license and a sales and use license. For a Class B restaurant license, the application must contain a health department permit and a statement of the average monthly sales of food and alcoholic beverages for the licensed premises during the previous license term.

Current Law: Unless otherwise stated, under statewide law, an application to renew an annual license must be filed between March 2 and April 1, inclusive, and a local licensing board may issue renewed licenses for the following year between April 15 and May 1, inclusive. All renewed licenses must be dated May 1. If an expiring license is subject to an order of restriction or other suspension, the local licensing board must issue the license renewal subject to the same restriction or other suspension.

To be approved, a license renewal application must (1) state whether the facts in the original application have changed and, if so, in what way; (2) be accompanied by a statement signed by the owner of the licensed premises consenting to renewal of the license; and (3) with specified exceptions, a statement consenting to search and seizure in the same manner as for an original application.

In Washington County, a license holder that files a completed application for license renewal between April 2 and April 11, inclusive, is subject to a penalty of \$100, or on or after April 12, is subject to a penalty of \$400. The board may not renew a license until the license holder pays all taxes that are due under the license and certifies by affidavit to the board that no county taxes are due.

Background: In fiscal 2015, 771 alcoholic beverages licenses were issued for use in Washington County. Washington County advises that, in 2015, approximately 30 license renewals were put on hold due to issues with taxes or other licensing issues.

Additional Information

Prior Introductions: None.

Cross File: HB 1548 (Washington County Delegation) - Rules and Executive Nominations.

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

Fiscal Note History: First Reader - March 11, 2016

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