

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1029
Economic Matters

(Montgomery County Delegation)

Education, Health, and Environmental Affairs

Montgomery County - Alcoholic Beverages - Class BD-BWL License - Hours of Sale
MC 17-16

This bill makes numerous changes to the Class BD-BWL license, which may be issued for use in Montgomery County. The bill (1) expands the on-premises hours of sale for a Class BD-BWL license; (2) authorizes the Montgomery County Board of License Commissioners to issue a caterer's license to the holder of a Class BD-BWL license; and (3) specifies that the 10-license limit on Class B licenses in Montgomery County includes the Class BD-BWL license.

The bill takes effect July 1, 2016.

Fiscal Summary

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

Local Effect: Montgomery County revenues increase by \$600 for each Class BD-BWL and caterer's license application it receives as a result of the bill due to filing fees. Revenues further increase by \$3,500 annually for each Class BD-BWL license and by \$1,250 annually for each caterer's license issued due to annual license fees. Expenditures are not materially affected.

Small Business Effect: Minimal overall, but potentially meaningful for a small business with a Class BD-BWL license that obtains a caterer's license or has its business impacted by the bill's changes to on-premises hours of sale.

Analysis

Bill Summary: Among other provisions, the bill expands the on-premises hours of sale for a Class BD-BWL license. These changes are shown in **Exhibit 1**.

Exhibit 1 On-premises Hours of Sale for Class BD-BWL Licenses Current Law and Under the Bill

<u>Day of the Week</u>	<u>Current Law</u>	<u>The Bill</u>
Monday	10 a.m. to 2 a.m. the following day	9 a.m. to 2 a.m. the following day
Tuesday	10 a.m. to 2 a.m. the following day	9 a.m. to 2 a.m. the following day
Wednesday	10 a.m. to 2 a.m. the following day	9 a.m. to 2 a.m. the following day
Thursday	10 a.m. to 2 a.m. the following day	9 a.m. to 2 a.m. the following day
Friday	10 a.m. to 2 a.m. the following day	9 a.m. to 3 a.m. the following day
Saturday	10 a.m. to 2 a.m. the following day	9 a.m. to 3 a.m. the following day
Sunday	10 a.m. to 2 a.m. the following day	10 a.m. to 2 a.m. the following day (10 a.m. to 3 a.m. the following day when the following day is a specified federal holiday)

Source: Department of Legislative Services

Current Law: Chapter 62 of 2015 established a Class BD-BWL alcoholic beverages license in Montgomery County. The license authorizes the sale of beer and wine for consumption on or off the licensed premises, as well as liquor for consumption only on the licensed premises. Alcoholic beverages may be sold or provided on any day of the week from (1) 10 a.m. to 2 a.m. the following day for consumption on the licensed premises and (2) 6 a.m. to 1 a.m. the following day for consumption off the licensed premises.

The holder of a Class BD-BWL license may also (1) hold a Class 7 micro-brewery license issued for a location in Montgomery County and (2) obtain a refillable container permit for draft beer. A single license holder may not hold more than one Class BD-BWL license.

In Maryland, a Class B beer, wine, and liquor license allows a restaurant or hotel to sell alcoholic beverages for consumption on the premises or elsewhere. Although State law generally limits the number of licenses that may be issued to a single license holder,

in Montgomery County, additional Class B beer, wine, and liquor licenses may be obtained under specified conditions. However, a licensee may not hold more than 10 such licenses altogether.

A caterer's license authorizes the holder of a Class B restaurant or hotel (on-sale) beer, wine, and liquor license to provide alcoholic beverages at events that are held off the licensed premises. The holder must provide food, as well as alcoholic beverages for consumption at the catered event and may only serve alcoholic beverages during the hours and days that are permitted by the Class B restaurant or hotel license. The annual license fee is \$1,250.

Background: In fiscal 2015, 520 Class B beer, wine, and liquor licenses were in effect for locations in Montgomery County. Additionally, in fiscal 2015, there were 36 Class 7 micro-brewery licenses issued in the State.

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 18, 2016
md/hlb

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