

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 308 (Montgomery County Delegation)
Economic Matters

Montgomery County - Alcoholic Beverages - Class A Licenses
MC 20-17

This bill authorizes the Montgomery County Board of License Commissioners to issue a second Class A alcoholic beverages license to an individual that already holds a Class A license issued by any board of license commissioners in the State. The license may be used in Montgomery County by that individual, a partnership, a corporation, an unincorporated association, or a limited liability company.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: None.

Local Effect: Montgomery County revenues increase beginning in FY 2018 based on the number of Class A licenses issued as a result of the bill. Monitoring of any additional licenses issued can be handled using existing resources.

Small Business Effect: Minimal overall, but potential meaningful for any small business that obtains a second Class A license as a result of the bill.

Analysis

Current Law: Class A alcoholic beverages licenses generally authorize the sale of alcoholic beverages for consumption off the licensed premises only; however, some exceptions may apply. For example, in some jurisdictions, Class A license holders may

obtain a tasting license that allows customers to sample small amounts of a product on the licensed premises.

In Montgomery County, the Board of License Commissioners is authorized to issue three types of Class A licenses: beer (\$200 annual license fee); wine (\$100 annual license fee); and beer and wine (\$250 annual license fee). A Class A license holder in the county may also obtain a tasting license for \$200 annually. Additionally, the board requires a filing fee of \$600 with each application for an alcoholic beverages license and charges an administrative fee of \$100 at the time of any license renewal.

State law prohibits an alcoholic beverages license from being issued to a partnership, corporation, or limited liability company; a license may only be issued to individuals authorized to act for a partnership, corporation, or limited liability company. The individual must assume all responsibilities for the license and, therefore, be subject to all penalties, conditions, and restrictions imposed on licensees by any applicable provisions of law.

Background: In fiscal 2016, there were 158 Class A beer and wine licenses issued in Montgomery County. No other Class A licenses were issued.

Local Revenues: The total fiscal impact on Montgomery County depends on the type and number of licenses issued as a result of the bill and, therefore, cannot be reliably estimated at this time. Beginning in fiscal 2018, Montgomery County revenues increase by:

- \$600 for each license application due to administrative filing fees;
- \$100 annually for each license issued due to administrative renewal fees;
- \$200 annually for each Class A beer license issued;
- \$100 annually for each Class A wine license issued;
- \$250 annually for each Class A beer and wine license (without tasting) issued; and
- \$450 annually for each Class A beer and wine license (with tasting) issued.

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 1, 2017
mm/tso

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