

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 148
Economic Matters

(Montgomery County Delegation)

Education, Health, and Environmental Affairs

Montgomery County - Alcoholic Beverages - Class C Per Diem Licenses
MC 8-18

This bill authorizes the holder of a Class C per diem license in Montgomery County to purchase alcoholic beverages from (1) a county Department of Liquor Control (DLC) warehouse; (2) a DLC-run dispensary; (3) a manufacturer with a self-distribution license or permit; or (4) a retail dealer licensed to sell for off-premises consumption. **The bill takes effect July 1, 2018.**

Fiscal Summary

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

Local Effect: The bill does not materially affect Montgomery County operations or finances.

Small Business Effect: Minimal. Small businesses that obtain and use a Class C per diem license have more options to purchase alcoholic beverages under the bill.

Analysis

Current Law/Background: Any alcoholic beverages sold using a Class C per diem beer, wine, and liquor license in Montgomery County must have been purchased from a retail dealer.

Local licensing boards are granted general authority to issue per diem licenses that allow the sale and serving of alcoholic beverages for limited periods of time. A Class C per diem license authorizes the sale of beer, wine, or liquor (depending on the license) for a period

of up to seven days. The license may only be used to hold an entertainment event conducted by a club at a specific place described in the license.

In Montgomery County, DLC operates a dispensary system that acts as the primary wholesaler in the county. Generally, no person, firm, or corporation may keep for sale any alcoholic beverages not purchased from DLC; however, there are some exceptions where a manufacturer can bypass the wholesaler to deliver alcoholic beverages directly to a retail licensee. For example, Chapter 310 of 2016 authorizes Class 8 liquor wholesalers to sell and deliver their own liquor to retailers. Similarly, Class 7 limited beer wholesalers, nonresident brewers, and Class 6 limited wine wholesalers are authorized to sell and deliver their own product directly to retailers.

In addition to acting as the primary wholesaler in the county, DLC also operates retail dispensaries to sell beer, wine, and liquor. Aside from a single Class A beer, wine, and liquor license issued for use in Takoma Park, liquor can only be purchased for off-premises consumption from a dispensary in the county.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Montgomery County; Department of Legislative Services

Fiscal Note History: First Reader - January 26, 2018
mm/tso Third Reader - March 9, 2018

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