

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 616
Economic Matters

(Montgomery County Delegation)

Education, Health, and Environmental Affairs

Montgomery County - Department of Liquor Control - Renaming
MC 2-19

This bill renames the Montgomery County Department of Liquor Control (DLC) as the Montgomery Alcohol Beverage Services and renames the Liquor Control Fund as the Alcohol Beverage Services Fund. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: None.

Local Effect: Montgomery County expenditures increase negligibly in FY 2020 to replace signs and other materials to reflect the bill's changes.

Small Business Effect: None.

Analysis

Bill Summary: Alcohol Beverage Services is the successor to DLC. Previous names and titles have the same meaning as the new names and titles in any ordinance, order, rule, regulation, policy, or document created by a county official, employee, or unit.

The bill does not affect (1) the terms of office of members of any commission, office, department, agency, or other county unit; (2) the status of any transaction or employment entered into or existing before the bill's effective date; (3) any right, duty, or interest flowing from a statute amended by the bill; or (4) the continuity of any commission, office, agency, or other county unit.

The publisher of the Annotated Code of Maryland is required to change cross references and terminology throughout the code and describe each change in an editor's note.

Current Law/Background: DLC operates dispensaries for the wholesale distribution and retail sale of alcoholic beverages in Montgomery County. DLC is separate from the Montgomery County Board of License Commissioners, which issues alcoholic beverages licenses. Generally, DLC maintains a monopoly on the wholesale distribution of beer, wine, and liquor and the retail sale of liquor for off-premises consumption. With specified exceptions, no person, firm, or corporation may keep for sale alcoholic beverages not purchased from DLC. DLC may contract with a person to operate a retail outlet for the sale of alcoholic beverages.

Generally, most Maryland jurisdictions permit the sale of alcoholic beverages through a three-tier system in which licensed alcoholic beverages retailers purchase alcoholic beverages from licensed Maryland wholesalers, who purchase alcoholic beverages from licensed manufacturers and importers. In Montgomery County, the DLC-operated dispensary system acts as the primary second-tier wholesaler. The proceeds from the sale of alcoholic beverages are deposited in the Liquor Control Fund, from which the county funds the department's operating expenses. Additional revenue is transferred to the Montgomery County general fund.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 13, 2019
sb/tso Third Reader - March 19, 2019

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