

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 792

(Senator Hershey)

Education, Health, and Environmental Affairs

Economic Matters

Kent County Alcohol Act of 2020

This bill alters the hours of sale for Class B wine shop and lounge licenses in Kent County. The bill authorizes the Kent County Board of License Commissioners to issue a refillable container permit for draft beer to specified alcoholic beverages license holders. The bill also establishes a Class C multiple event beer, wine, and liquor (BWL) license in the county for events held by a volunteer fire company. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: None.

Local Effect: Kent County revenues increase based on the number of refillable container permits for draft beer and Class C multiple event BWL licenses issued as a result of the bill. Monitoring of any additional licenses and the adoption of regulations can be handled using existing resources.

Small Business Effect: Potential meaningful. Any qualifying licensee that obtains a refillable container permit for draft beer may realize increased sales resulting from the use of the permit.

Analysis

Bill Summary:

Class B Wine Shop and Lounge License Hours of Sale

The bill alters the hours of sale for a Class B wine shop and lounge license in Kent County to authorize sales from 6 a.m. to 2 a.m. the following day, Monday through Sunday.

Refillable Container Permit for Draft Beer

The bill authorizes the board to issue refillable container permits for draft beer to the holder of a Class A, Class B, or Class D license. The applicant for a permit must complete a form that the board provides. The hours of sale for permit holders begin at the same time as those for the underlying license and end at midnight. The board must adopt regulations to carry out the bill's provisions regarding refillable container permits for draft beer. The board may charge an annual permit fee of up to \$50 for applicants holding an underlying license with an off-sale privilege, or up to \$500 for applicants holding an underlying license without an off-sale privilege.

Class C Multiple Event BWL License

The bill establishes a Class C multiple event BWL liquor license in the county. The holder of a Class C multiple event BWL license is authorized to exercise any privilege conferred by the license at an event held by a volunteer fire company. A multiple event license may be used by a single applicant for no more than 24 days per calendar year. The application for a license must be in the form that the board provides and the applicant must sign the form. A multiple event license may be issued for one premises only and generally to the same applicant for all events for which the license is issued. However, the board may approve in writing a substitute applicant, and before approving a substitute applicant, hold a hearing. A server who is certified by an approved alcohol awareness program must be on the premises where a multiple event license is issued while alcoholic beverages are being served.

The annual fee is \$200 for up to 12 events per year and \$400 for at least 13 but not more than 24 events per year. The board may not issue a refund if a license holder holds fewer events than the license holder is entitled to hold.

The bill authorizes alcoholic beverages to be stored on the premises of a licensed volunteer fire company between events if the alcoholic beverages are in a specifically identified location, locked and secured, and are not sold or consumed except during licensed events. A license holder must keep complete and accurate records of all alcoholic beverages

purchased and sold on the premises. The records must include a completed pre- and post-inventory of all alcoholic beverages for each individual event. The records must be maintained on the premises for two years and available for inspection by authorized personnel of the Comptroller and the board. In addition, authorized personnel of the Comptroller and the board may inspect the premises of a license holder, as specified. A license holder who violates the bill's provisions is subject to (1) a fine of \$100 for the first offense and (2) for a subsequent offense, a fine up to \$500 and denial of future requests for an individual event or a special multiple event license.

Current Law: A Class B wine shop and lounge license authorizes the holder to sell wine for on- and off-premises consumption. A license holder may sell wine (1) on Monday through Friday, from 6 a.m. to 2 a.m. the following day, (2) on Saturday, from 6 a.m. to 1 a.m. the following day, and (3) on Sunday, from 9 a.m. to midnight, for off-premises consumption only. The license holder is not subject to any requirement regarding the percentage of average daily receipts derived from the sale of food, and an individual under the legal drinking age may enter the licensed premises. The annual license fee is \$300.

Background: In 2019, there were 71 alcoholic beverages licenses issued in Kent County.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 777 (Delegate Jacobs, *et al.*) - Economic Matters.

Information Source(s): Kent County; Comptroller's Office; Department of Legislative Services

Fiscal Note History: First Reader - February 14, 2020
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