

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1435
Economic Matters

(Delegate Arentz, *et al.*)

Education, Health, and Environmental Affairs

Alcoholic Beverages - Retail License Holders - Alcohol Awareness Program

This bill expands the requirement that an alcoholic beverages license holder or a designated employee complete an approved alcohol awareness program by requiring an individual who is certified by such a program to be on the licensed premises during the hours in which alcoholic beverages are sold or served, as specified. The bill also alters the penalties for a violation of this requirement. The Alcohol and Tobacco Commission (ATC) must report to the General Assembly by December 31, 2021, on whether it recommends expanding alcohol awareness training requirements to all bartenders, servers, and related others who interact with customers on a licensed premises. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: ATC can likely provide its recommendations to the General Assembly using existing budgeted resources. Revenues are not affected.

Local Effect: The bill, including changes to penalty provisions, is not anticipated to materially affect local operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: A certified individual may be absent from the licensed premises for a personal or business reason or an emergency if the absence only lasts for two hours or less. A local licensing board must require the license holder to keep a log book on the licensed premises documenting any such absence.

A license holder that violates the bill's requirements is subject to a fine of \$250 for the first offense and suspension or revocation of the alcoholic beverages license for a subsequent offense.

Current Law:

Alcohol and Tobacco Commission

Chapter 12 of 2019 establishes ATC, beginning June 1, 2020, and transfers personnel, powers, duties, and responsibilities that relate to the regulation of alcoholic beverages and tobacco from the Comptroller's Office, specifically the Field Enforcement Division (FED), to ATC. Chapter 12 specified that all duties and responsibilities associated with FED's alcoholic beverages and tobacco regulation functions must continue under ATC. Employees transferred under Chapter 12 retain any merit system and retirement status they may have on the date of transfer and must be transferred without any change or loss of pay, working conditions, benefits, rights, or status. Furthermore, Chapter 12 specifies that files, furniture, fixtures, records, other properties, credits, liabilities, and obligations are retained by the appropriate entity under the transfer.

Alcohol Awareness Programs

Generally, for a premises that is licensed to sell alcoholic beverages with off-sale privileges, or a premises that is licensed with on-sale privileges and sells alcoholic beverages directly to a customer from a bar or service bar, the license holder or specified employees must complete training in an approved alcohol awareness program in order to obtain and retain their alcoholic beverages license. A license holder who fails to do this is subject to a fine of \$100 for the first offense and up to \$500 for a subsequent offense. For a subsequent offense, the license holder may also have the alcoholic beverages license suspended or revoked.

The training program must be approved and certified by the Comptroller, and it must provide information on how alcohol affects a person's body and behavior, the dangers of drinking and driving, refusing service before a customer becomes intoxicated, and determining if a customer is old enough to legally consume alcohol. The training is valid for four years.

Many counties require an individual that has taken alcohol awareness training to be present during the hours in which alcoholic beverages are sold but allow exceptions for emergencies, business reasons, or personal reasons. The most common exception allows a business to operate a maximum of two hours without a certified individual present under these circumstances.

Background: In fiscal 2019, there were 23 approved alcohol awareness programs and 415 program instructors in the State. Montgomery and Wicomico counties have previously advised that alcohol awareness training costs range from between \$50 to \$100 per employee depending on various factors such as the organization hosting the class, the class size, and the location of the class.

Small business Effect: The bill's requirements may increase costs to small businesses to pay for the training of its employees. Depending on how many employees the business has, the total cost could be meaningful. Consequently, small businesses that run alcohol awareness programs are likely to experience a corresponding increase in business and revenues.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Comptroller's Office; Baltimore City; Montgomery and Wicomico counties; Department of Legislative Services

Fiscal Note History: First Reader - February 11, 2020
mm/tso Third Reader - March 6, 2020

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