

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 677

(Senator Edwards)

Education, Health, and Environmental Affairs

Economic Matters

Allegany County - Alcoholic Beverages - Class B-D Beer, Wine, and Liquor
License

This bill establishes a Class B-D beer, wine, and liquor (BWL) license in Allegany County that authorizes the holder to sell beer, wine, and liquor for on-premises consumption, as specified. The Allegany County Board of License Commissioners is authorized to issue up to two such licenses in a single year. The bill also requires a license holder to complete a Food Alcohol Ratio Report once every licensing cycle, as specified. **The bill takes effect July 1, 2021.**

Fiscal Summary

State Effect: None.

Local Effect: Allegany County revenues increase to the extent that up to two Class B-D BWL licenses are issued each year; the annual license fee is \$700, with additional fees for Sunday sales. Revenues may also increase in connection with fines imposed for Food Alcohol Ratio Report violations. It is anticipated that Allegany County can handle any enforcement activity with existing resources.

Small Business Effect: Minimal overall, but potential meaningful impact for small businesses that obtain Class B-D BWL licenses.

Analysis

Bill Summary: The board may issue a Class B-D BWL license for use by a restaurant that (1) is located in a permanent building with ample space and accommodations; (2) commonly offers hot and cold meals that are prepared, sold, and served to the public

during regular business hours; (3) maintains a menu that advertises a variety of food that the establishment serves; (4) serves food at all times whenever alcoholic beverages are being served or consumed; and (5) has, on an annual basis, gross sales of food and nonalcoholic beverages that exceed its gross sales of alcoholic beverages. The annual license fee is \$700.

As a prerequisite for the renewal of the license, the license holder must demonstrate compliance with the annual gross sales requirement described above.

Hours and Days of Sale

A Class B-D BWL license holder may generally sell beer, wine, and liquor on Monday through Saturday, for on-premises consumption, from 7:00 a.m. to 2:00 a.m. the following day. Sunday sales are permitted from 11:00 a.m. to 2:00 a.m. the following day (1) if the holder pays an additional fee of \$250, or (2) in accordance with a two-day Sunday sales permit, which authorizes sales on not more than two Sundays in a year, as specified. The fee for a two-day Sunday sales permit is \$50 for each time the permit is used.

Food Alcohol Ratio Report

Once every licensing cycle, a Class B-D BWL license holder must comply with a request from the board to submit a signed and notarized Food Alcohol Ratio Report covering two preceding quarters that the board selects to demonstrate compliance with the bill's annual gross sales requirement. When submitting a report, the license holder must include a current menu, information on hours of operation, and sales amounts and percentages for food, nonalcoholic beverages, and alcoholic beverages for the time period requested. To enforce these requirements, the board may (1) request a license holder to provide supporting data or additional information; (2) impose a fine on a license holder; or (3) suspend a license.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 883 (Allegany County Delegation) - Economic Matters.

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

Fiscal Note History: First Reader - February 17, 2021
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