

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 233
Economic Matters

(Montgomery County Delegation)

Education, Health, and Environmental Affairs

Montgomery County - Alcoholic Beverages - Class 7 Micro-Brewery License and
Licenses in the Town of Kensington
MC 07-22

This bill authorizes the Alcohol and Tobacco Commission (ATC) to issue a Class 7 micro-brewery (on- and off-sale) license to the holder of a Class D beer, wine, and liquor (BWL) license in Montgomery County that is issued for the sale of beer, wine, and liquor for on-premises consumption, at the place described in the license. The bill increases, from 8 to 20, the number of Class A-K (off-sale) beer and wine licenses and the aggregate number of specified licenses that the Montgomery County Board of License Commissioners may issue in the Town of Kensington. The bill also makes technical corrections so that obsolete references to the previous authority of the Comptroller are updated to reference the authority of ATC. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: General fund revenues would increase by up to \$500 annually for each Class 7 micro-brewery license issued under the bill. ATC would be able to monitor additional licenses using existing resources.

Local Effect: Montgomery County revenues increase minimally to the extent that the bill results in additional alcoholic beverages licenses issued. Montgomery County can monitor any additional licenses using existed budgeted resources.

Small Business Effect: Overall minimal, but potential meaningful for any small business able to obtain an alcoholic beverages license under the bill, and potential meaningful for the holder of a Class D BWL alcoholic beverages license able to acquire a Class 7 micro-brewery license and realize additional sales under the bill

Analysis

Bill Summary: The bill increases, from 8 to 20, the total number of licenses the board may issue in the Town of Kensington, in aggregate, among the following types: (1) a Class B-K beer and wine license; (2) a Class B-K beer, wine, and liquor license; (3) a Class BD-BWL license; (4) a Class C beer and wine license; (5) a Class D-K beer license; (6) a Class D-K beer and wine license; and (7) a Class H beer and wine license.

Current Law:

Class 7 Micro-Brewery Licenses

A Class 7 micro-brewery license is issued by ATC, and the annual license fee may not exceed \$500. The license holder may collectively brew, bottle, or contract for up to 45,000 barrels of beer each calendar year, and up to 5,000 of those barrels may be sold for on-premises consumption each year, as specified.

Class 7 micro-brewery (on- and off-sale) licenses in the county may be issued to the holder of (1) a Class B BWL (on-sale) license that is issued for use on the premises of a restaurant located in the county; (2) a Class D beer and wine license that is issued for the sale of beer and wine, at retail, at the place described in the license, for on- and off-sale premises consumption, as specified; (3) a Class H beer and wine license that is issued for the sale of beer and wine at a hotel or restaurant, at retail, at the place described in the license, for on-premises consumption; or (4) a Class BD-BWL license that is issued for the sale of beer and wine for on- and off-premises consumption, and liquor for on-premises consumption, at the place described in the license.

Alcoholic Beverages Licenses in the Town of Kensington – Generally

In the Town of Kensington, the board is authorized to issue up to eight Class A-K (off-sale) beer and wine licenses. By majority vote, the board may issue one additional Class A-K beer and wine license if there is a public hearing before the town council and a subsequent request made by the town council.

The board is also authorized to issue up to eight licenses, in aggregate, from among the following types: (1) a Class B-K beer and wine license; (2) a Class B-K beer, wine, and liquor license; (3) a Class BD-BWL license; (4) a Class C beer and wine license; (5) a Class D-K beer license; (6) a class D-K beer and wine license; and (7) a Class H beer and wine license.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 4, 2022
fnu2/tso Third Reader - March 19, 2022
Revised - Amendment(s) - March 19, 2022

Analysis by: Thomas S. Elder

Direct Inquiries to:
(410) 946-5510
(301) 970-5510