

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1423 (Charles County Delegation)
Economic Matters

Charles County - Alcoholic Beverages - Multiple Class B Licenses

This bill authorizes the Charles County Board of License Commissioners to allow a person to obtain a direct or indirect interest in up to two Class B-H (hotel), Class B-R (restaurant), or Class B-RB (restaurant/bar) (on-sale) beer, wine, and liquor (BWL) licenses in addition to one or more licenses issued in another jurisdiction or state. A second or subsequent license allowed by the bill does not confer an off-sale privilege. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: None.

Local Effect: Charles County revenues increase, beginning in FY 2023, to the extent that additional Class B BWL licenses are issued under the bill. The county can monitor any additional licenses using existing budgeted resources.

Small Business Effect: Minimal overall, but potentially meaningful for small businesses able to obtain additional licenses under the bill.

Analysis

Bill Summary: An indirect interest is presumed to exist between any combination of persons if any of the following conditions exist between them:

- a common parent company;
- a franchise agreement;

- a licensing agreement;
- a concession agreement;
- dual membership in a chain of businesses commonly owned and operated;
- sharing of directors, stockholders, partners, or members, or a sharing of directors, stockholders, partners, or members of parents or subsidiaries;
- common direct or indirect sharing of profit from the sale of alcoholic beverages; or
- a sharing of a common trade name, trademark, logo, or theme or mode of operation identifiable by the public.

Current Law: In Charles County, a holder of a Class B BWL license is generally authorized to sell beer, wine, and liquor on Monday through Saturday from 6 a.m. to 2 a.m. the following day and on Sunday from 6 a.m. to midnight. A license holder who sells beer, wine, and liquor outside the proscribed window is subject to imprisonment or a fine up to \$250 or both.

A Class B-H (on-sale) BWL license authorizes the license holder to sell beer, wine, and liquor for on-premises consumption in a hotel common area, for a premises primarily engaged in the day-to-day rental of hotel rooms. The annual license fee is \$360, and in addition to the license fee, a license holder must pay \$200 annually if the holder provides live entertainment and \$200 annually if the license holder provides outdoor table service.

A Class B-R (on-sale) BWL license authorizes the license holder to sell beer, wine, and liquor at retail for consumption on the premises of a restaurant that is primarily engaged in the sale of food and nonalcoholic beverages for on-premises consumption and contains a dining room with facilities for preparing and serving meals. The annual license fee is \$360. In addition to the license fee, a license holder must pay \$200 annually if the holder provides outdoor table service.

A Class B-RB (on-sale) BWL license authorizes the sale and consumption of beer, wine, and liquor on the premises of a restaurant that is primarily engaged in the sale of food and nonalcoholic beverages for on-premises consumption, has a dining room with facilities for preparing and serving meals, and has a bar with stools to accommodate customers with or without service of food. The annual license fee is \$460. In addition to the license fee, a license holder must pay \$200 annually if the holder provides live entertainment and \$200 annually if the license holder provides outdoor table service.

Additional Comments: In fiscal 2021, there were 69 Class B BWL licenses issued in Charles County.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 965 (Senator Jackson) - Education, Health, and Environmental Affairs.

Information Source(s): Charles County; Alcohol and Tobacco Commission; Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2022
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