

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 762
Economic Matters

(Montgomery County Delegation)

Finance

**Montgomery County - Alcoholic Beverages - Class B Beer, Wine, and Liquor
License - Off-Premises Consumption
MC 9-24**

This bill authorizes, in Montgomery County, the holder of a Class B beer, wine, and liquor (BWL) license to sell at the place described in the license (1) beer, wine, and liquor at retail for on-premises consumption, and (2) beer and wine in containers sealed with the manufacturer’s original seal for off-premises consumption only to a person who has purchased prepared food from the licensed premises. The bill authorizes the Montgomery County Board of License Commissioners to adopt regulations to carry out the bill’s provisions, including regulations that limit the quantity of beer and wine that may be sold to a person for off-premises consumption in a single transaction. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: None.

Local Effect: The bill is not anticipated to materially affect Montgomery County operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The holder of a Class B BWL license may not display or provide shelving for beer or wine for off-premises sales in areas of the establishment that are accessible to the public. Off-sale alcoholic beverages receipts collected under the license must be

included in the calculation of gross receipts from the sale of alcoholic beverages. The license holder may sell beer and wine for off-premises consumption only when the licensed premises is open for business as a hotel or restaurant.

Current Law: The Class B BWL license authorizes the license holder to sell beer, wine, and liquor at retail at the place described in the license. The annual license fee is \$2,500.

The board is authorized to issue a Class B BWL license to the owner or operator of a restaurant or hotel if (1) before the issuance of the license, the owner or operator attests in a sworn statement that gross receipts from food sales in the restaurant or hotel will be at least equal to 40% of the gross receipts of the sale of food and alcoholic beverages, and (2) before each renewal of the license, the owner or operator attests in a sworn statement that the specified gross receipts for the 12 months immediately before the application for renewal will meet the specified percentage of sale.

The board must adopt regulations to provide for audits to determine the ratio of gross receipts from the sale of food to the gross receipts from the sale of beer, wine, and liquor. The board may revoke a license if the license holder fails to maintain the specified ratio of gross receipts (1) during the initial license year, for three consecutive months, or (2) after the initial license year, for each license or calendar year. The board may require a license holder to provide supporting data as the board requires necessary to establish that the license holder has met specified requirements.

Small Business Effect: Any restaurant or hotel that holds a Class B BWL license may experience additional sales of beer and wine for off-premises consumption under the bill.

Additional Comment: The Department of Legislative Services advises that the bill as drafted does not specify if the prepared food, which is to accompany beer and wine in sealed containers, must be prepared for on-premises consumption or if the food can be prepared for take-out and consumed off-premises.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 14, 2024
km/tso Third Reader - March 18, 2024

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