

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 542
Economic Matters

(Montgomery County Delegation)
Education, Health, and Environmental Affairs

**Montgomery County - Alcoholic Beverages - Beer and Wine Sampling or Tasting License
MC 3-11**

This bill creates a beer and wine sampling or tasting (BWST) license in Montgomery County that may be issued to a holder of a Class A license. The BWST license authorizes the sampling or tasting of alcoholic beverages only on the licensed premises of the Class A license holder. The annual license fee is \$200.

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: None.

Local Effect: Montgomery County revenues may increase by \$22,000 annually. Any additional costs relating to requested public hearings can be handled with existing resources.

Small Business Effect: Potentially significant to the extent that offering free samples of beer and wine helps to increase sales at local establishments.

Analysis

Bill Summary: A holder of a BWST license may allow a single individual to sample or taste not more than:

- 1 ounce from a single brand of wine;

- 4 ounces from all brands of wine in a single day;
- 3 ounces from a single brand of beer; and
- 12 ounces from all brands of beer in a single day.

A holder of a Class A wine license may use a BWST license to hold tastings or samplings of wine only. Once a bottle of beer or wine is opened for tasting or sampling, it must be marked that it is to be used for that purpose only.

A holder of a BWST license must notify the Montgomery County Board of License Commissioners in writing at least seven days prior to each sampling or tasting event. Applications for BWST licenses must be made on a form supplied by the board and may be issued without a public hearing. However, an applicant may request a public hearing before the board if an initial application for a BWST license is denied. The board may not require the publication of an application for a BWST license before issuing the license. The renewal of a BWST license may be made at the time the holder's Class A license is renewed.

The bill expands the list of alcoholic beverages licenses that may be issued in the City of Takoma Park to include a BWST license. The bill also specifies that existing prohibitions relating to the consumption of alcoholic beverages not purchased on the licensed premises and the issuance of more than one license for the same premises do not restrict use of the BWST license.

Current Law: Generally, with limited exceptions, it is unlawful to consume alcoholic beverages that were not purchased from the license holder on that licensee's premises, and it is unlawful for a licensee to permit any person to do so. Generally, with limited exceptions, no more than one alcoholic beverages license may be issued for the use of any entity, and no more than one license shall be issued for the same premises.

Local Fiscal Effect: There were 145 Class A beer and wine licenses, and 1 Class A beer, wine, and liquor license in Montgomery County in fiscal 2010; none were in Takoma Park. The annual license fee for the BWST license is \$200. Montgomery County anticipates that most who qualify will apply for the BWST license. If 75% of the 146 Class A license holders apply, Montgomery County license revenues will increase by \$22,000 annually. County expenditures increase minimally to the extent there are hearings requested by those denied the BWST license; however, any additional costs can be absorbed with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): City of Takoma Park, Montgomery County, Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - February 24, 2011
mc/hlb

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