

**Department of Legislative Services**  
Maryland General Assembly  
2014 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 960

(Montgomery County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

---

**Montgomery County - Alcoholic Beverages - Residency Requirement**  
**MC 22-14**

---

This bill allows an applicant for an alcoholic beverages license in Montgomery County to reside in Maryland, the District of Columbia, or northern Virginia. The bill also makes several conforming changes.

The bill takes effect July 1, 2014.

---

**Fiscal Summary**

**State Effect:** None.

**Local Effect:** To the extent that the bill results in additional applications for and issuance of alcoholic beverages licenses in Montgomery County, Montgomery County revenues increase due to application filing fees and annual licensing fees; however, the number of additional licenses that may be issued as a result of the bill is unknown. Expenditures increase correspondingly to issue and monitor additional licenses.

**Small Business Effect:** Minimal.

---

## Analysis

### **Bill Summary/Current Law:**

#### *Residency Requirements Under Current Law*

Generally, State law requires any applicant for an alcoholic beverages license to have been a resident of a jurisdiction for two years before he or she may apply for any alcoholic beverages license in that jurisdiction.

An alcoholic beverages license in the State may not be issued to a partnership, corporation, or a limited liability company and it may only be issued to individuals authorized to act for a partnership, corporation, club, or a limited liability company. The individual must assume all responsibilities for the license and, therefore, be subject to all penalties, conditions, and restrictions imposed on licensees by any applicable provisions of law.

If the application is made for a partnership, the license must be applied for and issued to all the partners as individuals, all of whom must have resided in the jurisdiction that the proposed license will be used in for at least two years prior to the application. If the application is made for a corporation or club, the license must be applied for by and issued to three of the officers of the corporation or club. At least one of the three must be a registered voter and taxpayer of the county, city, or State when the application is filed, and must have resided there for at least two years prior to the application. If the application is made for a limited liability company, the license must be applied for by and issued to three authorized representatives of the limited liability company. At least one of the three must be a registered voter and taxpayer of the county, city, or State when the application is filed, and must have resided there for at least two years prior to the application.

In Montgomery County, if an application is made for a partnership, the license must be applied for and issued to at least two general partners as individuals, one of whom must be a registered voter of Montgomery County and reside there when the application is submitted.

#### *Residency Requirements Under the Bill*

Under the bill, an applicant for an alcoholic beverages license in Montgomery County, including partners in a partnership, officers of a corporation or club, and representatives of a limited liability company, may meet the residency requirements listed above by residing anywhere in the State, in the District of Columbia, or in northern Virginia.

### *Licensing and Application Fees*

Under current law, Montgomery County charges a filing fee of \$500 for each application for an alcoholic beverages license. Annual licensing fees vary depending on the class and type of alcoholic beverages license, and generally range from \$50 to \$2,500 annually, but may be as high as \$5,000 for specified licenses.

**Background:** In fiscal 2013, there were 450 beer and light wine licenses; 544 beer, wine, and liquor licenses; and 995 total alcoholic beverages licenses in effect in Montgomery County.

**Local Fiscal Effect:** To the extent that the bill results in additional applications for and issuance of alcoholic beverages licenses in Montgomery County, Montgomery County revenues increase due to application filing fees and annual licensing fees. Expenditures increase correspondingly to administer and monitor additional applications and licenses. The number of individuals that will seek to obtain or obtain an alcoholic beverages license as a result of the bill, and any corresponding revenue and expenditure increase, cannot be reliably estimated at this time.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 1025 (Montgomery County Senators) – Education, Health and Environmental Affairs.

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

**Fiscal Note History:** First Reader - February 13, 2014  
ncs/lgc Revised - House Third Reader - March 19, 2014

---

Analysis by: Richard L. Duncan

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