

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 142
Economic Matters

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

Montgomery County - Proportion of Food and Alcoholic Beverages Sales - Class B
Licenses and Class B-BWL (H-M) Licenses
MC 14-14

This bill decreases, from 50% to 40%, the minimum ratio of food sales to food and alcoholic beverage sales combined that restaurants and hotels must maintain in order to obtain or renew a Class B beer, wine, and liquor license in Montgomery County.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None.

Local Effect: None. The bill can be handled with existing resources.

Small Business Effect: Minimal overall, but potentially meaningful for small businesses that have a greater portion of their total sales come from the sale of alcoholic beverages.

Analysis

Current Law: A Class B beer, wine, and liquor license allows the licensee to sell alcoholic beverages at retail at a restaurant or hotel at the location described on the license. This can be for consumption on or off premises.

In order to obtain a Class B beer, wine, and liquor license in Montgomery County, the owner of a restaurant or hotel must attest in a sworn statement that gross receipts from food sales in the establishment will be at least 50% of the total gross receipts from sales

of food and alcoholic beverages combined. To renew this type of license in Montgomery County, the owner of a restaurant or hotel must attest in a sworn statement that gross receipts from food sales in the establishment were at least 50% of the total gross receipts from sales of food and alcoholic beverages combined in the 12-month period preceding the application to renew the license.

The Montgomery County Board of License Commissioners is authorized to conduct inspections to determine if the ratio is being met. During the initial license year, the board must conduct monthly physical inspections, and the licensee must submit monthly statements showing the gross receipts from the sale of food and the gross receipts from the sale of alcoholic beverages for the preceding month. If a licensee fails to meet the ratio requirement for a specified period of time, the board has the authority to revoke the alcoholic beverages license.

Background: There are 510 Class B beer, wine, and liquor licenses issued in Montgomery County as of fiscal 2013.

Additional Information

Prior Introductions: None.

Cross File: SB 300 (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 - January 28, 2014
ncs/lgc

Analysis by: Richard L. Duncan

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