

Department of Legislative Services  
Maryland General Assembly  
2015 Session

FISCAL AND POLICY NOTE

House Bill 275  
Economic Matters

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

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Frederick County - Alcoholic Beverages - Special Class C (Retirement Center)  
License

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This bill establishes a special Class C (retirement center) on-sale beer, wine, and liquor license in Frederick County. The Frederick County Board of License Commissioners may issue the license by converting a special Class C (club) license held on behalf of a retirement center into the retirement center license. The annual license fee is \$1,500.

The bill takes effect July 1, 2015.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Frederick County license fee revenues decrease by \$1,000 annually due to the conversion of existing special Class C (club) licenses to Class C (retirement center) licenses. Expenditures are not affected.

**Small Business Effect:** Minimal or none.

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Analysis

**Bill Summary:**

*On-premises Sales*

The license authorizes the holder to sell at retail beer, wine, and liquor to residents and guests at the licensed premises for on-premises consumption.

### *Off-premises Sales*

The license holder may sell for off-premises consumption only special anniversary or special event collectable bottles of wine or liquor not more than 30 days before the anniversary or special event.

### *Rental of Premises from License Holder*

Civic groups or other organizations that rent the premises from the license holder for an event may serve alcoholic beverages that the license holder provides. The bill limits the number of such events to 25 per year. The events may be open to the public.

### *Expansion of the Licensed Premises*

The bill authorizes the licensed premises to be expanded to include any building or facility at the retirement center campus, regardless of whether the building or facility exists at the time the license is issued. However, the retirement center campus is limited to two areas and the service rooms connected to those two areas.

**Current Law/Background:** Frederick County advises that retirement centers operate under a special Class C (private country club) license. A special 7-day Class C (private country club) license allows for the on-sale of beer, wine, and liquor. The annual license fee is \$2,000. The license may be issued to a private country club that (1) is organized for social purposes; (2) has been incorporated for at least one year prior to the application for licensure; (3) has at least 75 members; (4) prepares and serves meals during regular operating hours to members and their guests; (5) is located in the 14<sup>th</sup> election district or wherever else is permitted in the county; and (6) has made capital expenditures for structures, improvements, equipment, and furnishings used in the private country club in an amount not less than \$500,000. The licensee may sell at retail alcoholic beverages to members and guests of the private country club for on-premises consumption in the structures and surrounding grounds. The hours of sale are 6 a.m. to 2 a.m. daily, except Sundays. On Sundays, the hours are from 11 a.m. to 2 a.m.

An application for the special Class C (private country club) on-sale beer, wine, and liquor license must be made by three officers of the private country club, of whom at least two must be residents of Frederick County.

Frederick County advises that by allowing the board to convert a special Class C (private country club) license to a special Class C (retirement community) license, the license holder can avoid having to reapply for the new license. The county plans to continue to inspect the licensed premises.

**Local Effect:** Frederick County advises that there are two retirement centers currently operating in the county under a special Class C (private country club) license, both of whom are expected to seek to convert their licenses under the bill. Because the annual fee for a special Class C (club) license is \$2,000, while the annual fee for the special Class C (retirement center) license is \$1,500, revenues decrease by \$500 per license converted, or an estimated \$1,000 annually.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 499 (Senators Young and Hough) - Education, Health, and Environmental Affairs.

**Information Source(s):** Frederick County, Department of Legislative Services

**Fiscal Note History:** First Reader - February 19, 2015  
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