

**Department of Legislative Services**  
Maryland General Assembly  
2015 Session

**FISCAL AND POLICY NOTE**

House Bill 845  
Economic Matters

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

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**Harford County - Alcoholic Beverages - Class B Cafe Licenses**

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This bill authorizes the Harford County Liquor Control Board to issue a special Class B Cafe beer, wine, and liquor license in Harford County under specified circumstances. The annual license fee is \$3,000. The special license authorizes the holder to sell beer and wine for consumption on or off the licensed premises and liquor for consumption on the licensed premises. A special cafe license is a seven-day license with an on-premises wine tasting privilege for every day of the year. In addition, the special license may be used for off-premises catering.

The bill also repeals the statutory limit on the number of existing Class B Cafe beer and wine licenses that may be issued, requires the board to set the maximum number of such licenses that it may issue, and allows the license to be used for off-premises catering.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Harford County revenues increase by \$3,500 in the first year and \$3,000 annually thereafter for each special Class B Cafe beer, wine, and liquor license issued, reflecting the \$500 application fee and the \$3,000 annual license fee. Harford County revenues may increase further to the extent the county issues additional Class B Cafe beer and wine licenses beyond the limit that exists under current law; the applicable license fee is \$1,575 annually. Expenditures are not materially affected.

**Small Business Effect:** Minimal overall, but potential meaningful positive impact for any small business that applies for and obtains a special Class B Cafe beer, wine, and liquor license. In addition, holders of an existing Class B Cafe beer and wine licenses may benefit from the ability to use the license for off-premises catering. Small businesses may also

benefit from the repeal of the cap on the number of existing Class B Cafe beer and wine licenses that may be issued.

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## **Analysis**

**Bill Summary:** A special Class B Cafe beer, wine, and liquor license may only be issued to an establishment if (1) the board determines that the establishment has adequate tables, chairs, food, and facilities for preparing and serving meals; (2) the average gross monthly receipts from the sale of food (and other items approved by the board) exceed 50% of the average monthly receipts from the sale of beer, wine, and liquor sold for on-premises consumption; and (3) not more than 10% of the total square footage of the establishment is dedicated to the display of beer and wine that is offered for sale.

The board must set (1) the maximum number of special cafe licenses that it may issue and (2) a maximum and a minimum seating capacity for each special cafe license it issues.

**Current Law:** A Class B Cafe beer and wine license entitles the holder to sell beer and wine for consumption on and off the licensed premises, and is a seven-day license with an on-premises wine tasting privilege for every day of the year. The annual license fee is \$1,575. The board may only issue five cafe licenses. The board must set a maximum and a minimum seating capacity for each cafe license it issues.

A cafe license may only be issued to an establishment if (1) the board determines that the establishment has adequate tables, chairs, food, and facilities for preparing and serving meals; (2) the average gross monthly receipts from the sale of food and other items approved by the board exceed 50% of the average monthly receipts from the sale of beer and wine sold for on-premises consumption; and (3) not more than 10% of the total square footage is dedicated to the display of beer and wine that is offered for sale. A cafe license may not be used for off-premises catering.

**Background:** In fiscal 2014, 25 Class B beer and wine licenses and 81 Class B beer, wine, and liquor licenses were in effect for locations in Harford County. Of these, two were Class B Cafe beer and wine licenses.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

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