

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

House Bill 316
Economic Matters

(Montgomery County Delegation)

Education, Health, and Environmental Affairs

Montgomery County - Alcoholic Beverages - Licenses in Takoma Park
MC 29-15

This bill repeals the authority of the Montgomery County Board of License Commissioners to issue a (1) Class H-TP (on-sale) beer license; (2) Class D-TP beer and light wine license; and (3) Class C-TP (on-sale) beer, wine, and liquor license for use in Takoma Park and makes conforming changes. Instead, the bill authorizes the board to issue a Class H (on-sale) beer license, a Class D beer and light wine license, and a Class C (on-sale) beer, wine, and liquor license for use in Takoma Park. When a Class H-TP, Class D-TP, or Class C-TP license is renewed or transferred, the board must instead issue the licensee the corresponding Class H, Class D, or Class C license authorized by the bill.

The bill takes effect July 1, 2015.

Fiscal Summary

State Effect: None.

Local Effect: To the extent the bill results in additional applications for and issuance of alcoholic beverages licenses in Takoma Park, Montgomery County revenues increase due to applicable filing fees and annual license fees. Monitoring and enforcement, as well as any increase in workload to handle the transition of license types, can be handled using existing resources.

Small Business Effect: Minimal.

Analysis

Current Law: In Maryland, (1) Class C licenses allow licensees to sell or provide alcoholic beverages at a club or similar organization for consumption on premises and (2) Class D licenses allow licensees to sell alcoholic beverages in a tavern or bar for consumption on or off premises. Montgomery County authorizes the issuance of numerous types of Class C licenses, and annual license fees range from \$300 (for local chapters of large, national organizations) to \$2,000 (for country clubs).

The annual fee for a Class D (on-sale) beer and light wine license in the county is \$400. Furthermore, in Montgomery County, a Class H license allows licensees to sell alcoholic beverages in a hotel, restaurant, or bowling alley; the annual license fee for a Class H license is \$400. The Montgomery County Board of License Commissioners requires a filing fee of \$600 with each application for an alcoholic beverages license.

The Montgomery County Board of License Commissioners may only issue, renew, or transfer the following eight classes of alcoholic beverages licenses in Takoma Park:

- Class B beer and light wine, hotel and restaurant licenses;
- Class H (on-sale) beer and light wine, hotel and restaurant licenses;
- Class B (on-sale) beer, wine, and liquor, hotel and restaurant licenses;
- Class H-TP (on-sale) beer licenses;
- Class D-TP beer and light wine licenses;
- Class A-TP (off-sale) beer, wine, and liquor license;
- Class C-TP (on-sale) beer, wine, and liquor license; and
- beer and wine sampling or tasting licenses.

Background: In the mid-1990s, the town of Takoma Park (then split between Montgomery and Prince George's counties) held a referendum to decide whether to join Montgomery County or Prince George's County. The citizens chose Montgomery County, but there were a number of existing alcoholic beverages licenses in the Prince George's County part of the municipality that Montgomery County did not authorize (Class A and Class D licenses). For this reason, legislation was passed to authorize these licenses in Montgomery County as special "TP" licenses. Montgomery County advises that a Class TP license (except for the Class A license) only allows alcoholic beverages to be consumed on the licensed premises and are generally more limited when compared to standard Class H, Class D, Class A, and Class C licenses.

In fiscal 2014, there were 37 Class C beer, wine, and liquor licenses, 82 Class D beer and light wine licenses, and one Class H beer license issued for use in Montgomery County.

Local Revenues: Montgomery County advises that the bill functionally results in a transition of existing Class H-TP, Class D-TP, and Class C-TP licenses in Takoma Park to standard Class H, Class D, and Class C licenses, with equivalent annual licensing fees. To the extent the bill results in additional applications for and issuance of alcoholic beverages licenses in Takoma Park, Montgomery County revenues increase due to applicable filing and annual license fees.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 18, 2015
min/lgc Revised - House Third Reader - March 24, 2015

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