

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 654

(Howard County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

Howard County - Alcoholic Beverages - Class D Beer, Wine, and Liquor Licenses
Ho. Co. 10-16

This bill requires an applicant for a Class D beer, wine, and liquor (BWL) on- and off-sale seven-day license in Howard County to attest in a sworn statement that gross receipts from the sale of food will be at least equal to 20% of the gross receipts from the sale of food and alcoholic beverages. The bill also requires that a holder of a Class D BWL on- and off-sale seven-day license in Howard County, before each license renewal, attest in a sworn statement that gross receipts from the sale of food for the 12-month period immediately prior to the application for renewal were at least equal to 20% of the gross receipts from the sale of food and alcoholic beverages. The bill also permits a holder of a Class D license to employ an individual who is at least 18 years old to sell or serve beer and wine.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Minimal impact on Howard County licensing fee revenues. County expenditures are not affected.

Small Business Effect: Minimal overall, but potential meaningful impact on small businesses that are unable to obtain or renew a license due to the new gross receipts requirement.

Analysis

Current Law: In Maryland, Class D licenses allow licensees to sell alcoholic beverages in a tavern or bar for consumption on or off premises. In Howard County, the Board of License Commissioners may issue (1) a Class D BWL on-sale six-day license with an annual fee of \$600; (2) a Class D BWL on-sale seven-day license with an annual fee of \$1,000; (3) a Class D BWL on- and off-sale six-day license with an annual fee of \$800; and (4) a Class D BWL on- and off-sale seven-day license with an annual fee of \$ \$1,000.

Currently, there is no requirement regarding the percentage of gross receipts from the sale of food relative to the gross receipts from the sale of food and alcoholic beverages affecting any Class D beer, wine, and liquor license in Howard County.

A holder of a Class A, Class B, or Class C license may employ an individual who is at least 18 years old to sell or serve alcoholic beverages.

Background: In fiscal 2015, there were a total of 293 licenses issued for use in Howard County, including 31 Class D beer, wine, and liquor licenses. Howard County advises that in fiscal 2015 there were 15 Class D BWL on- and off-sale seven-day licenses issued for use in the county.

Local Fiscal Effect: Howard County revenues decrease, by \$1,000 annually, for each licensee who is unable to meet the gross receipt requirement and, as a result, is not eligible to have their license renewed.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 18, 2016
md/hlb

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