

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1076
Economic Matters

(Montgomery County Delegation)

Education, Health, and Environmental Affairs

Montgomery County - Alcoholic Beverages - Sports Stadium License
MC 19-16

This bill establishes a sports stadium alcoholic beverages license in Montgomery County for use in a stadium that (1) has a minimum capital investment of \$2.0 million, not including the cost of land; (2) serves as a venue for professional sports events; and (3) has a seating capacity of 2,000 persons, as established by the Montgomery County Fire Marshal. The annual license fee is \$2,000.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Montgomery County revenues increase by \$600 for each sports stadium license application due to filing fees and \$2,000 annually for each sports stadium license issued due to annual license fees. Monitoring of any additional licenses can be handled with existing resources.

Small Business Effect: Minimal overall but potentially meaningful for a small business that applies for and obtains the license established by the bill.

Analysis

Bill Summary: The Montgomery County Board of License Commissioners may issue the license to three individuals who serve on the board of directors for a corporation, partnership, or limited liability company that operates an eligible stadium. At least one of

the individuals must have been a State resident for at least the two years immediately preceding the date the license is issued.

The license authorizes the sale of beer and wine for consumption during a professional sports event or other event held at the stadium. The beer and wine must be purchased from the Montgomery County Department of Liquor Control.

Alcoholic beverage sales may take place at a service bar or throughout the stadium by individual sales vendors on behalf of the licensee. Sales during a sports event may only take place during a specified time period. The hours of sale for other events are set by the board. Anyone who serves alcoholic beverages at the stadium must have completed an approved alcohol awareness program.

Current Law: In Maryland, alcoholic beverage licenses are granted by each jurisdiction's board of license commissioners to permit the sale and consumption of alcohol at specified places such as restaurants, taverns, hotels, clubs, or places of public entertainment. Other types of establishments cannot normally acquire a license but may be granted eligibility to apply. In Montgomery County, eligibility to apply for an alcoholic beverages license extends to theatres, corporate training centers, culinary schools, art sale galleries, and beauty salons.

State law prohibits an alcoholic beverages license from being issued to a partnership, corporation, or a limited liability company; a license may only be issued to individuals authorized to act for a partnership, corporation, or a limited liability company. The individual must assume all responsibilities for the license and, therefore, be subject to all penalties, conditions, and restrictions imposed on licensees by any applicable provisions of law.

A holder of any class of retail alcoholic beverages license or an employee of the holder in Montgomery County must complete training in an approved alcohol awareness program in order to obtain and retain a license. The program must be approved and certified by the Comptroller and it must provide information on how alcohol affects a person's body and behavior, the dangers of drinking and driving, refusing service before a customer becomes intoxicated, and determining if a customer is old enough to legally consume alcohol. The training is valid for four years.

Background: In fiscal 2015, there were 1,009 alcoholic beverages licenses issued in Montgomery County.

Local Revenues: The Montgomery County Board of License Commissioners requires a filing fee of \$600 with each application for an alcoholic beverages license, and the bill establishes a \$2,000 annual fee for a sports stadium alcoholic beverages license.

Thus, local revenues increase by \$600 at the time of application and \$2,000 annually for each sports stadium license issued. *For illustrative purposes*, if two entities apply for and obtain a sports stadium license, Montgomery County revenues increase by \$5,200 in the first year and \$4,000 annually thereafter.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 15, 2016
mel/hlb

Analysis by: Richard L. Duncan

Direct Inquiries to:

(410) 946-5510

(301) 970-5510