

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1422
Economic Matters

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

Caroline County - Alcoholic Beverages - Bed and Breakfast License

This bill establishes a seven-day Class B-BB (bed and breakfast) on-sale beer, wine, and liquor (BWL) license in Caroline County and authorizes the Caroline County Board of License Commissioners to issue a license to a license holder who is approved by the appropriate local governmental unit to operate a bed and breakfast that meets specified criteria. The annual license fee is \$500. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: None.

Local Effect: Caroline County revenues increase minimally due to additional license fees. Any additional enforcement activity can be handled with existing resources.

Small Business Effect: Minimal overall, but potential meaningful impact for a small business that obtains a license under the bill.

Analysis

Bill Summary: The license authorizes the license holder to sell beer, wine, and liquor to a guest if the name and address of the guest appears on the registry of the bed and breakfast, and the guest is an occupant of a sleeping room in the bed and breakfast. A license holder may sell alcoholic beverages, Monday through Sunday, from 6:00 a.m. to 2:00 a.m. the following day.

The license also authorizes the holder to sell beer, wine, and liquor for on-premises consumption to a guest of a catered event at the bed and breakfast if (1) the license holder

is under contract to cater the event, the license holder caters the event, and food is served at the event or (2) the license holder hosts an event for which tickets are sold in advance. The license also authorizes the holder to contract to provide alcoholic beverages at events held off the premises if (1) the event is held in the county; (2) the bed and breakfast also contracts to provide food at the event; and (3) the cost of alcoholic beverages does not exceed 50% of the total invoice for the event.

The license holder must (1) maintain records of all catered events, on premises and off premises, where alcoholic beverages are served and (2) make the records available on request to the board or to the Comptroller. If the bed and breakfast ends operations as a bed and breakfast the license is void, and the license holder must return the license to the board.

Current Law:

Class B Beer, Wine, and Liquor License: In Caroline County, there is a six-day and a seven-day Class B BWL license. The board may issue the license to the owner of a hotel that (1) is in a building at least three stories tall that was originally constructed for hotel purposes; (2) has a capital investment of at least \$500,000; and (3) contains at least one passenger elevator, at least 100 rooms for the accommodation of the public, and a dining room with facilities for preparing and serving regular meals for at least 125 individuals at one seating. The license authorizes the holder to sell beer, wine, and liquor by the drink at a hotel or restaurant as defined by the board for on-premises consumption. The annual license fee is \$1,000 for a six-day license and \$1,250 for a seven-day license.

Local Caterer's License: The board may issue a local caterer's license to a person to contract with a sponsor of a public or private event to provide food and alcoholic beverages if the person holds an alcoholic beverages license issued in the county and a caterer's license issued by the county health department. The license authorizes a holder to sell or provide alcoholic beverages on the premises of a catered event during the event, on Monday through Sunday from 6:00 a.m. to 2:00 a.m. the following day. The board must set the fee for the license.

Background: In fiscal 2017, 45 alcoholic beverages licenses were issued for use in Caroline County.

Additional Information

Prior Introductions: None.

Cross File: SB 1072 (Caroline County Senators) - Rules.

Information Source(s): Caroline County; Department of Legislative Services

Fiscal Note History: First Reader - February 14, 2018
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