

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 153 (Montgomery County Delegation)
Economic Matters

Montgomery County - Alcoholic Beverages - Dispensaries in Retail Grocery
Stores
MC 16-18

This bill authorizes the Montgomery County Department of Liquor Control (DLC) to establish a dispensary in a retail grocery store, if approved by the county executive. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: The bill does not directly affect State operations or finances.

Local Effect: Montgomery County revenues increase minimally to the extent that opening a dispensary in a grocery store leads to increased alcoholic beverages sales. Expenditures increase correspondingly for DLC to staff, or contract to staff, the new stores.

Small Business Effect: Minimal.

Analysis

Bill Summary: A dispensary may only be located in a grocery store if (1) the store contains at least 10,000 square feet of floor space; (2) the dispensary is separated from the main portion of the grocery store by a barrier that allows customers to enter and leave the dispensary through only one passageway; and (3) a customer is only allowed to pay for alcoholic beverages in the dispensary and not in the main portion of the grocery store.

Current Law: In Montgomery County, DLC operates a dispensary system that acts as the primary wholesaler in the county. With a few exceptions, no person, firm, or corporation may keep for sale any alcoholic beverages not purchased from DLC.

In addition to acting as the primary wholesaler in the county, DLC also operates retail dispensaries to sell beer, wine, and liquor. DLC may contract with a person to operate a retail outlet for the sale of liquor for off-premises consumption if the person holds another alcoholic beverages license. For example, the holder of a Class A beer and wine license may contract with DLC to also sell liquor on behalf of DLC. Aside from a single Class A beer, wine, and liquor license issued for use in Takoma Park, liquor can only be purchased in the county for off-premises consumption from one of these DLC-operated liquor stores.

Background: There were 154 Class A beer and wine licenses issued in Montgomery County in fiscal 2017.

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 - January 30, 2018
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