

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Enrolled

House Bill 145
Economic Matters

(Montgomery County Delegation)

Education, Health, and Environmental Affairs

Montgomery County - Kensington - Alcoholic Beverages Licenses
MC 12-18

This bill makes numerous changes to the manner in which alcoholic beverages licenses are regulated in the Town of Kensington in Montgomery County. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: The bill is not expected to materially affect State operations or finances.

Local Effect: Montgomery County revenues increase minimally to the extent that the bill results in additional alcoholic beverages licenses being issued. The county can monitor any additional licenses using existing budgeted resources.

Small Business Effect: Minimal overall, but potential meaningful for any small business that is able to obtain an alcoholic beverages license as a result of the bill's changes.

Analysis

Bill Summary: The Montgomery County Board of License Commissioners is expressly authorized to issue a catering extension to a person that has a Class B-K beer, wine, and liquor license in Kensington.

The Comptroller may only issue up to two Class 7 micro-brewery licenses to holders of Class D beer and wine licenses in the Town of Kensington.

The average daily receipts from food sales requirement for licensees in Kensington is decreased so that food sales (excluding carryout) must account for at least 40% of average daily sales when combined with alcohol sales, instead of 50%.

The number and type of licenses that may be issued for use in certain commercial areas in Kensington are changed so that a total of four licenses may be issued, instead of three. The licenses may be Class A-K (off-sale) beer and wine licenses, Class D-K beer licenses, and Class D-K beer and wine licenses. The holders of these licenses are authorized to sell single bottles or cans of beer, and sell refrigerated products; however, they are still not allowed to advertise alcoholic beverages in a publicly visible location.

The county-wide limit of 10 total licenses per licensee may include 1 or more Class B-K licenses.

The holder of a Class B-K beer and wine license that is located in certain commercial areas in Kensington may sell beer and wine for an additional hour each day (until midnight instead of 11 p.m).

Current Law/Background: No alcoholic beverages licenses may be issued in the Town of Kensington unless authorized by law. In Kensington, the Montgomery County Board of License Commissioners may issue no more than three Class A (off-sale) beer and wine licenses for use in specified commercial areas. The licensee may not sell single bottles or cans of beer, sell refrigerated products, or advertise alcoholic beverages in a publicly visible location. The board may also issue a special B-K beer and wine or B-K beer, wine, and liquor license to restaurants in commercial areas. The B-K beer and wine licensee may not sell beer or wine after 11 p.m. if the establishment is in certain commercial areas.

For each licensee in Kensington, the sale of food must, on average, account for at least 50% of overall average daily sales when combined with alcohol sales.

The board is not expressly authorized to issue a local caterer's license or catering extension in Kensington. A catering extension may be issued to the holder of a Class B restaurant or hotel (on-sale) beer, wine, and liquor license or a Class BD-BWL license. It authorizes the holder to provide alcoholic beverages at an event held off the premises, as specified. The privileges of the catering extension may only be exercised on the days and hours authorized by the underlying license and the holder must provide food for consumption at the catered event. The license holder is not required to obtain a catering extension to provide catering services on the licensed premises.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 26, 2018
md/tso Third Reader - March 13, 2018
Revised - Amendment(s) - March 13, 2018
Enrolled - April 18, 2018

Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510