Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 177   (Montgomery County Delegation)

Economic Matters   Education, Health, and Environmental Affairs

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Montgomery County – Alcoholic Beverages – Inspections, Food Sales Requirements, and Hours and Days of Sale MC 5–18

This bill simplifies an existing food to alcohol sales ratio requirement for Class BD-BWL and Class D beer, wine, and liquor license holders in Montgomery County. The bill also (1) authorizes alcoholic beverages to be sold using a Class BD-BWL license on a Sunday from 10 a.m. to 3 a.m. the following day when that following day is designated as a federal public holiday, instead of only on specified holidays; (2) decreases how often the licensed premises for certain alcoholic beverages licenses must be physically inspected during the initial license year; and (3) repeals a requirement that certain licensees submit monthly statements showing alcohol and food sales for the preceding month during the initial license year. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: None.

Local Effect: Although the bill is not expected to materially affect Montgomery County operations or finances, the county may experience operational efficiencies from performing fewer audits and physical inspections and reviewing fewer sworn statements.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill repeals the requirement that the holder of a Class BD-BWL license or a Class D beer, wine, and liquor license in Montgomery County maintain food sales equal to at least 40% of food and alcohol sales combined during certain hours

each day. The bill also repeals related provisions that require audits by the county board of license commissioners and sworn statements by the licensee to ensure the ratio is met. Instead of maintaining this ratio, both types of licensee must ensure food is always available for sale when alcoholic beverages are being served, and the county board of license commissioners must specify the types of food that must be available during that time.

For all licenses, except temporary licenses, the licensed premises must be inspected quarterly during the initial license year and periodically thereafter.

Current Law/Background: In Maryland, Class B licenses allow licensees to sell alcoholic beverages in specified hotels and restaurants for consumption on- or off-premises. Similarly, a Class D license allows the sale of alcoholic beverages in establishments such as taverns and bars.

In Montgomery County, (1) a Class B beer, wine, and liquor license authorizes the sale of beer, wine, and liquor for on-premises consumption only; (2) a Class BD-BWL license authorizes the sale of beer and wine for on- or off-premises consumption and liquor for on-premises consumption only; and (3) a Class D beer, wine, and liquor license authorizes the sale of beer, wine, and liquor for on-premises consumption only. Generally, for these three licenses, the licensed business must maintain food sales equal to at least 40% of food and alcohol sales combined. The board must inspect the premises periodically and audit the licensee to determine the required ratio is being maintained.

During the initial license year, for all three types of licenses, the county board of license commissioners must make monthly physical inspections of the premises and the licensee must submit monthly statements that show food and alcohol sales to ensure the required ratio is being maintained. After the initial license year, the premises must be periodically inspected and audited to ensure the food and alcohol sales ratio is being maintained.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 30, 2018
mag/tso   Third Reader - March 13, 2018
                                   Revised - Amendment(s) - March 13, 2018

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