
By: Montgomery County Delegation

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County - Alcoholic Beverages**
3 **(Class B License Fees - Extended)**
4 **MC 706-97**

5 FOR the purpose of extending the date by which, in Montgomery County, certain Class B
6 alcoholic beverages license fees are to terminate; and generally relating to alcoholic
7 beverages in Montgomery County.

8 BY repealing and reenacting, without amendments,
9 Article 2B - Alcoholic Beverages
10 Section 6-201(q)
11 Annotated Code of Maryland
12 (1996 Replacement Volume)

13 BY repealing and reenacting, with amendments,
14 Chapter 229 of the Acts of the General Assembly of 1989, as amended by Chapter
15 160 of the Acts of the General Assembly of 1991 and Chapter 239 of the Acts
16 of the General Assembly of 1994
17 Section 4

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article 2B - Alcoholic Beverages**

21 6-201.

22 (q) (1) (i) This subsection applies only in Montgomery County.

23 (ii) 1. In this subsection the following words have the meanings
24 indicated.

25 2. "Board" means the Board of License Commissioners.

26 3. "Dining area" means the area occupied by patrons for the
27 consumption of food and includes a cocktail area where food need not be served if there
28 is no separate outdoor entrance to the cocktail area.

2

1 (2) (i) 1. The Board may issue this license only to the owner of any
2 restaurant or hotel that has a minimum dining area of 1,000 square feet.

3 2. The restaurant shall be located in the third, fourth, seventh,
4 eighth, ninth, tenth, or thirteenth election districts.

5 3. The licensee may not be located in the Towns of Poolesville,
6 Takoma Park, and Kensington.

7 (ii) 1. As a prerequisite for the initial issuance of a license under
8 this subsection, the owner shall attest in a sworn statement that gross receipts from food
9 sales in the restaurant or hotel will be at least equal to the gross receipts from the sale of
10 alcoholic beverages.

11 2. As a prerequisite for each renewal of a license issued under
12 this subsection, the owner shall attest in a sworn statement that the gross receipts from
13 food sales in the restaurant or hotel for the 12-month period immediately preceding the
14 application for renewal have been at least equal to the gross receipts from the sale of
15 alcoholic beverages.

16 3. The Board by regulation shall provide for periodic inspection
17 of the premises and for audits to determine the ratio of gross receipts from the sale of
18 food to gross receipts from the sale of alcoholic beverages.

19 4. Any regulations adopted by the Board shall include a
20 requirement of at least monthly physical inspections of the premises during the initial
21 license year of any licensee and the submission by the licensee to the Board, during the
22 initial license year, of monthly statements showing gross receipts from the sale of food
23 and gross receipts from the sale of alcoholic beverages for the immediately preceding
24 month.

25 5. In the event that a licensee, during the initial license year,
26 fails to maintain the sales ratio requirement provided in this paragraph for a period of
27 three consecutive months or after the initial license year for each license or calendar year,
28 the Board, in its discretion, may revoke the license. The Board may require any licensee
29 to provide supporting data as it, in its discretion, deems necessary, in order to establish
30 that the requirements of this section relating to the ratio of gross receipts from the sale of
31 food to those from the sale of alcoholic beverages have been met.

32 (iii) A license issued under this subsection authorizes its holder to keep
33 for sale and sell alcoholic beverages for consumption on the premises only, and alcoholic
34 beverages may not be served to patrons or consumed at any bar, counter without seats, or
35 other room but in the dining area. However, the seats in the cocktail area may not exceed
36 25 percent of the seats normally available for the general public in the dining area,
37 including the cocktail area portion, but excluding special banquet and private party
38 facilities.

39 (iv) Signs visible from the exterior of the building, advertising the sale
40 of alcoholic beverages, are not permitted in connection with any restaurant or hotel
41 holding a license issued under the provisions of this section except for the display of the
42 menu then in use by the licensee.

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1 (v) The annual license fee is \$2,500.

2 (3) (i) There is a special Class B license known as Class B-BWL (H-M)
3 which shall be issued only for hotels and motels that meet the minimum requirements set
4 forth in subsection (a)(3) of this section. All of the privileges and restrictions provided for
5 in paragraph (2) of this subsection are applicable to this special Class B license except
6 that the gross receipts from the sale of alcoholic beverages may not exceed the gross
7 receipts from the sale of food, and registered guests may be served in their rooms. In any
8 instance where there is more than one licensed establishment within the hotel or motel,
9 the foregoing sales ratio shall be applicable only to one license and that shall be the one
10 that provides the food and beverage service to the conventions, banquets and other
11 groups that utilize facilities within the hotel or motel.

12 (ii) The annual license fee is \$2,500.

13 **Chapter 229 of the Acts of 1989, as amended by Chapter 160 of the Acts of 1991 and**
14 **Chapter 239 of the Acts of 1994**

15 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
16 take effect July 1, 1989. It shall remain in effect for a period of [8] 11 years AND 3
17 MONTHS and at the end of [June 30, 1997] SEPTEMBER 30, 2000, and with no further
18 action required by the General Assembly, Section 2 of this Act shall be abrogated and of
19 no further force and effect.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 June 1, 1997.