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**By: Montgomery County Delegation**

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

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Committee Report: Favorable

House action: Adopted

Read second time: March 17, 1997

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CHAPTER \_\_\_\_

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.

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

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

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

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

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

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

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

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

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

25 4. Any regulations adopted by the Board shall include a  
26 requirement of at least monthly physical inspections of the premises during the initial  
27 license year of any licensee and the submission by the licensee to the Board, during the  
28 initial license year, of monthly statements showing gross receipts from the sale of food  
29 and gross receipts from the sale of alcoholic beverages for the immediately preceding  
30 month.

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

38 (iii) A license issued under this subsection authorizes its holder to keep  
39 for sale and sell alcoholic beverages for consumption on the premises only, and alcoholic  
40 beverages may not be served to patrons or consumed at any bar, counter without seats, or  
41 other room but in the dining area. However, the seats in the cocktail area may not exceed

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1 25 percent of the seats normally available for the general public in the dining area,  
2 including the cocktail area portion, but excluding special banquet and private party  
3 facilities.

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

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

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

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

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

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

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