

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**

House Bill 259  
Economic Matters

(Frederick County Delegation)

Education, Health, and Environmental  
Affairs

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**Frederick County - Special Beer Festival**

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This bill requires the Frederick County Board of License Commissioners to approve four weekends annually, instead of one weekend, for the county's special beer festivals. The board must allow the festivals to be held on the premises of a holder of a stadium on-sale license, provided the holder does not sell alcoholic beverages during the festival.

The bill takes effect July 1, 2006.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Frederick County revenues would increase due to license fees generated from three additional beer festivals. The number of licenses that would be issued cannot be predicted, however if the number of licensees for each beer festival is consistent with previous years, revenues would increase by \$675.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Current Law:** The board is authorized to issue a special beer festival license for one weekend annually. The license entitles the holder to display and sell at retail beer for consumption on or off the premises on the days and during the hours designated for the festival. An applicant for a special beer festival license must hold a current retail

alcoholic beverages license issued in the State, a Class 5 brewery license, or a Class 7 micro-brewery license. The license fee is \$15.

The festival must be held on nonlicensed premises in Frederick County and the primary focus of the festival must be the promotion of Maryland beer.

**Background:** The provision authorizing the board to issue special beer festival licenses was enacted by Chapter 199 of 2003. Beer festivals were held in 2004 and 2005 with roughly 15 licensees at each festival.

**Local Fiscal Effect:** The County Liquor Board advises it cannot predict how many licenses will be issued for the festival, which would depend on the interest and eligibility of local breweries. *For illustrative purposes*, assuming 15 licenses were issued for each festival, as for previous festivals, \$675 in license fees would be generated.

Issuing the additional licenses and conducting alcoholic beverage inspections can be handled with existing resources. Inspections required for food vendors at the festival could be handled with existing county health department staff, however the department advises that the number of weekend events it must send staff to is increasing and affecting its operations, due to staff receiving compensatory leave for those inspections.

**Small Business Effect:** Eligible small business breweries could benefit from the exposure and revenue generated from participating in the additional festivals.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Frederick County, Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - February 24, 2006  
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