

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 425
Economic Matters

(Delegate Eckardt, *et al.*)
Education, Health, and Environmental Affairs

Dorchester County - Alcoholic Beverages Act of 2009

This bill authorizes the Dorchester County Board of License Commissioners to issue Class B caterer's licenses and beer and wine sampling or tasting (BWST) licenses, establishes license fees, specifies eligibility and maintenance criteria for the licenses, modifies statutory language pertaining to geographic areas in the county in which premises may not be issued an alcoholic beverage licenses, creates additional exemptions from the geographic restrictions for certain premises, and authorizes the alcoholic beverages inspector in Dorchester County to issue summonses for witnesses to appear at inquiries and hearings conducted by the board. The bill also increases the compensation for the board's chairman and regular members by \$500 to \$3,000 and \$2,500, respectively. The compensation increases take effect at the beginning of the next term of office.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: None.

Local Effect: Dorchester County alcoholic beverages license fee revenues may increase by \$1,750 annually beginning in FY 2010. County expenditures increase by \$2,500 annually beginning in FY 2011 due to salary increases for board members.

Small Business Effect: Potential minimal increase in revenue from events held under the caterer's license. Potential minimal decrease in revenues due to the bill's repeal of unrestricted hours of operation on New Year's Day for on-sale license holders.

Analysis

Bill Summary:

Class B Caterer's License

In order to obtain a Class B caterer's license, a licensee must: (1) possess a Class B restaurant or hotel (on-sale) beer and light wine license or Class B restaurant or hotel (on-sale) beer, wine, and liquor license; (2) possess a caterer's license issued by the county's health department; and (3) contract to furnish food and alcoholic beverages to sponsors of public or private events. The annual license fee is \$150. The board is not required to publish an application for a Class B caterer's license.

Class B caterer's license holders are authorized to provide alcoholic beverages at events that are held off the premises covered by the Class B beer and light wine license or the Class B beer, wine, and liquor license. Holders of Class B licenses need not obtain a separate license for catering on the premises if the catering is covered under the license holder's current Class B license.

Class B caterer's licensees must: (1) notify the board in writing at least seven days before the event for which the license is to be used; (2) offer food as well as alcoholic beverages at the event; and (3) operate under the license only during the hours and days authorized for the licensee's prerequisite Class B license.

The licensee must distribute wristbands to individuals at the event who are at least 21 years old and may not serve alcoholic beverages to individuals who do not wear the wristband.

BWST License

The board may issue BWST licenses to Class A licensees for beer and wine tastings/samplings. However, a Class A beer license holder may only conduct beer tastings/samplings under a BWST license. A tasting or sampling may only take place at premises covered by the prerequisite Class A license. Alcoholic beverages are to be offered at no charge to consumers at a tasting/sampling, and the bill specifies limits on the amounts and types of alcoholic beverages that each person at an event may consume.

The board may issue a BWST license without a hearing and does not need to require publication of an application before issuing the license. Annual fees for the license are \$150 and \$250 for up to 15 and 30 events, respectively. A BWST licensee must inform the board in writing at least seven days before a licensed event and at the end of the day of the event, must dispose of alcoholic beverages that remain in a container opened for tasting or sampling.

Geographic Restrictions

The bill specifies that the board may not issue a license to any premises in a building with a wall within 300 feet in a direct line of the nearest point of the main building of a church, a place of worship, or a kindergarten, elementary, or secondary school. The exemptions to this restriction are expanded to include applications for Class B (on-sale) beer, wine, and liquor licenses in Cambridge or Secretary, and premises issued a special or temporary license.

New Year's Day Sales

The bill repeals current statutory provisions authorizing holders of on-sale licenses to maintain unrestricted business hours and sell alcoholic beverages at any time on New Year's Day, so long as the sales are authorized by the license.

Current Law: Several county boards have the authority to issue special catering licenses to current licensees. The catering licenses typically authorize a license holder to offer alcoholic beverages at publicly or privately sponsored events held off the premises covered under the licensee's existing license. Also, several counties currently have the authority to issue beer and wine tasting licenses. The requirements and restrictions for the licenses vary by county.

The Board of License Commissioners for any county and Baltimore City may restrict the areas in which alcoholic beverages licenses may be issued. Restrictions based on proximity to schools and places of worship are common. In Dorchester County, a new license may not be granted to sell alcoholic beverages on any premises located within 300 feet of a church or public school. Premises located within the restricted area that were licensed as of October 1, 1996 are exempt from the restriction.

The hours of operation for licensees on New Year's Day vary by county. The standard authorized hours of operation for a licensee are determined by the type of license. Because the bill repeals the authorization for unrestricted hours of operation on New Year's Day, the statutory default hours of operation in Dorchester County will be in effect. However, statute does provide extended hours of operation if New Year's Eve is on a Sunday.

Summonses issued for witnesses for inquiries and hearings conducted by alcoholic beverages boards are typically served by the county's sheriff. However, this authority is only extended to inspectors employed by boards in Anne Arundel, Cecil, and Harford counties, as well as Baltimore City. The police departments in Annapolis and Anne Arundel County also have this authority.

Local Revenues: Dorchester County estimates that five vendors will obtain caterer's licenses, resulting in \$750 in additional annual license fee revenue beginning in fiscal 2010. In addition, the county indicates that one vendor is currently seeking a license that may be permitted as a result of changes in the geographic restriction language. This will result in a \$1,000 increase in annual license fee revenue beginning in fiscal 2010. The county does not anticipate significant changes in revenue as a result of BWST licenses or changes in the bill pertaining to sales on New Year's Day.

Local Expenditures: The Dorchester County Board of License Commissioners has five members. The bill increases each member's compensation by \$500, resulting in a \$2,500 increase in annual expenditures beginning with the next term in fiscal 2011. Authorizing the board's inspector to serve summonses will not result in additional expenditures.

Additional Information

Prior Introductions: None.

Cross File: SB 333 (Senator Colburn) - Education, Health, and Environmental Affairs.

Information Source(s): Department of Legislative Services

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