

HOUSE BILL 1205

A2

0lr3189

By: **Montgomery County Delegation**

Introduced and read first time: February 18, 2010

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 18, 2010

CHAPTER _____

1 AN ACT concerning

2 **Montgomery County – Alcoholic Beverages License Fees – Repeal of Sunset**

3 **MC 24-10**

4 FOR the purpose of repealing the termination date of certain Class B alcoholic
5 beverage license fees applicable in Montgomery County; and generally relating
6 to alcoholic beverages in Montgomery County.

7 BY repealing and reenacting, without amendments,
8 Article 2B – Alcoholic Beverages
9 Section 6-201(q)
10 Annotated Code of Maryland
11 (2005 Replacement Volume and 2009 Supplement)

12 BY repealing and reenacting, with amendments,
13 Chapter 91 of the Acts of the General Assembly 2001, as amended by Chapter
14 48 of the Acts of the General Assembly of 2005
15 Section 2

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

18 **Article 2B – Alcoholic Beverages**

19 6-201.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



- 1 (q) (1) (i) This subsection applies only in Montgomery County.
- 2 (ii) 1. In this subsection the following words have the
3 meanings indicated.
- 4 2. “Board” means the Board of License Commissioners.
- 5 3. “Dining area” means the area occupied by patrons for
6 the consumption of food and includes a cocktail area where food need not be served if
7 there is no separate outdoor entrance to the cocktail area.
- 8 (2) (i) 1. The Board may issue this license only to the owner of
9 any restaurant or hotel.
- 10 2. The restaurant shall be located in the second, third,
11 fourth, sixth, seventh, eighth, ninth, tenth, or thirteenth election districts.
- 12 3. The licensee may not be located in the Towns of
13 Poolesville, Takoma Park, and Kensington.
- 14 (ii) 1. As a prerequisite for the initial issuance of a license
15 under this subsection, the owner shall attest in a sworn statement that gross receipts
16 from food sales in the restaurant or hotel will be at least equal to the gross receipts
17 from the sale of alcoholic beverages.
- 18 2. As a prerequisite for each renewal of a license issued
19 under this subsection, the owner shall attest in a sworn statement that the gross
20 receipts from food sales in the restaurant or hotel for the 12-month period
21 immediately preceding the application for renewal have been at least equal to the
22 gross receipts from the sale of alcoholic beverages.
- 23 3. The Board by regulation shall provide for periodic
24 inspection of the premises and for audits to determine the ratio of gross receipts from
25 the sale of food to gross receipts from the sale of alcoholic beverages.
- 26 4. Any regulations adopted by the Board shall include a
27 requirement of at least monthly physical inspections of the premises during the initial
28 license year of any licensee and the submission by the licensee to the Board, during
29 the initial license year, of monthly statements showing gross receipts from the sale of
30 food and gross receipts from the sale of alcoholic beverages for the immediately
31 preceding month.
- 32 5. In the event that a licensee, during the initial license
33 year, fails to maintain the sales ratio requirement provided in this paragraph for a
34 period of three consecutive months or after the initial license year for each license or
35 calendar year, the Board, in its discretion, may revoke the license. The Board may

1 require any licensee to provide supporting data as it, in its discretion, deems
2 necessary, in order to establish that the requirements of this section relating to the
3 ratio of gross receipts from the sale of food to those from the sale of alcoholic beverages
4 have been met.

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

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

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

17 2. For the third license that is not restricted by location
18 and is obtained by a licensee under § 9–102.1 of this article, the annual fee is \$5,000.

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

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

31 (4) (i) In this paragraph, “performing arts facility” means a facility
32 that is used for artistic, corporate, and community related activities.

33 (ii) There is a special Class B–BWL (performing arts facility)
34 license.

35 (iii) The Board of License Commissioners may issue a special
36 Class B–BWL (performing arts facility) license to apply only to a performing arts
37 facility that has:

- 1 1. A minimum capital investment, not including real
2 property, of \$1,000,000;
- 3 2. A minimum capacity of 1,500 persons; and
- 4 3. A food service facility permit and 40 seats in a food
5 service area.

6 (iv) The Board may issue a special Class B–BWL (performing
7 arts facility) license for use by a not–for–profit partnership, limited liability company,
8 corporation, or other entity that leases the performing arts facility to host artistic,
9 corporate, and community related activities.

10 (v) 1. A special Class B–BWL (performing arts facility)
11 license authorizes the holder to sell beer, wine, and liquor by the drink from one or
12 more outlets on the licensed premises for consumption on the licensed premises.

13 2. A holder of a special Class B–BWL (performing arts
14 facility) license may only exercise the privileges under the license from 10:00 a.m. on
15 any day until 2:00 a.m. the following day.

16 3. A holder of a special Class B–BWL (performing arts
17 facility) license may not sell alcoholic beverages at:

18 A. A high school graduation held on the licensed
19 premises; or

20 B. A community meeting held, without food service, on
21 the licensed premises.

22 (vi) The Board may impose conditions on the issuance or
23 renewal of a special Class B–BWL (performing arts facility) license that establish the
24 areas in the performing arts facility where beer, wine, and liquor may be sold, served,
25 possessed, or consumed.

26 (vii) The Board may not approve the transfer of a special Class
27 B–BWL (performing arts facility) license to another location.

28 (viii) The annual license fee for a special Class B–BWL
29 (performing arts facility) license is \$1,000.

30 **Chapter 91 of the Acts of 2001, as amended by Chapter 48 of the Acts of 2005**

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
32 measure, is necessary for the immediate preservation of the public health and safety,
33 has been passed by a ye and nay vote supported by three–fifths of all the members
34 elected to each of the two Houses of the General Assembly, and shall take effect from

1 the date it is enacted. [It shall remain effective through June 30, 2010, and, at the end
2 of June 30, 2010, with no further action required by the General Assembly, this Act
3 shall be abrogated and of no further force and effect.]

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 June 1, 2010.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.