

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE
Revised

House Bill 433

(Frederick County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

Frederick County - Alcoholic Beverages Act of 2014

This bill authorizes the Frederick County Board of License Commissioners to issue a license for the sale of beer, wine, and liquor for consumption on the premises only to an organization located in the county that is a bona fide religious, fraternal, civic, war veterans', or patriotic organization. All net proceeds from the sale of alcoholic beverages by these organizations must be used solely for charitable purposes or to further the purposes of the organization. The bill also alters the restriction that a maximum of six bottles of wine may be opened at any one time at a wine sampling or tasting event by allowing all of the bottles in a wine preservation system that the Frederick County Board of License Commissioners approves to be opened at a wine sampling or tasting event in Frederick County. Additionally, no more than six other bottles of wine may be opened by a holder of a solicitor's permit, the holder of the beer and wine sampling or tasting (BWST) license, or an employee of the license holder. A single individual may not consume more than six ounces of wine from all brands in a single day. The Frederick County Board of License Commissioners must adopt regulations to carry out the provisions related to the BWST license.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None.

Local Effect: Minimal increase in Frederick County revenues from additional license fees. Frederick County can monitor licenses, adopt regulations, and enforce the bill with existing resources.

Small Business Effect: Minimal. BWST license holders that store opened wine bottles in wine preservation systems benefit by not having to dispose of those bottles if six other bottles of wine are open at a wine sampling or tasting event.

Analysis

Current Law: In Frederick County, a Class A, B, and C beer and light wine license and a Class A, B, and C beer, wine, and liquor license may be issued in the following election districts: First (Buckeystown), Second (Frederick), Fourth (Creagerstown), Fifth (Emmitsburg), Seventh (Urbana), Eighth (Liberty), Ninth (New Market), Eleventh (Woodsboro), Twelfth (Petersville), Thirteenth (Mt. Pleasant), Fifteenth (Thurmont), Eighteenth (Woodville), Twentieth (Lewistown), Twenty-first (Tuscarora), Twenty-fourth (Braddock), Twenty-fifth (Brunswick), and Twenty-sixth (Walkersville).

An alcoholic beverages license cannot be issued in the following election districts: Sixth (Catocin), Tenth (Hauvers), Sixteenth (Jackson), Nineteenth (Linganore), and Twenty-third (Ballenger). Only beer may be sold by Class A, B, and C licenses in the following election districts: Fourteenth (Jefferson), Seventeenth (Johnsville), and Twenty-second (Burkittsville). In the third election district, the Frederick County Board of License Commissioners may issue Class A, B, or C beer licenses, Middletown Wine Festival licenses, and Class C beer, wine, and liquor licenses. Within the municipal boundaries of Middletown, the commission may also issue Class B beer, wine, and liquor (on-sale) licenses if the licensed premises derives at least 70% of its monthly gross revenue from the sale of food. Specified exemptions apply to these restrictions for golf and country clubs in the Sixteenth Election District, specified volunteer fire companies; Katharine Drexel Roman Catholic Congregation, Inc.; and Holy Family Catholic Community.

In general, a special or temporary alcoholic beverages license may not be issued if the issuance of a regular alcoholic beverages license of the same class is not authorized by statute.

The Frederick County Board of License Commissioners may issue a BWST license to a Class A (off-sale) license holder. The annual license fee is \$200. A single individual may not be allowed to consume for sampling or tasting purposes more than one ounce of a given brand of light wine and not more than three ounces of a given brand of beer. A maximum of six bottles of wine may be opened at any one time. Once opened, each bottle used for the beer and wine sampling or tasting event must be marked to be used for that purpose only. The contents of each bottle may not be mixed with the contents of another bottle and all bottles must be destroyed once they are empty.

Background: Class C licenses may be issued to any person holding a bona fide entertainment conducted by a club, society, or association for a period of up to seven consecutive days.

There are 90 Class A licenses in Frederick County, 37 of which have BWST licenses.

Local Revenues: Frederick County revenues increase from issuing alcoholic beverages licenses to certain organizations in dry election districts and in districts that currently only allow beer licenses. It is expected that either a special Class C beer, wine, and liquor license (\$30 per day) or a special Class C beer or beer and wine license (\$10 per day) is issued to these organizations. Although the number of additional licenses that will be issued as a result of the bill is unknown, any additional license fee revenue is likely to be minimal.

Additional Information

Prior Introductions: None.

Cross File: SB 619 (Senators Brinkley and Young) – Education, Health, and Environmental Affairs.

Information Source(s): Frederick County, Comptroller's Office, Department of Legislative Services

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