

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE
Revised

House Bill 136
Economic Matters

(Montgomery County Delegation)

Education, Health, and Environmental Affairs

Alcoholic Beverages - Montgomery County - Beer Festivals
MC 11-14

This bill authorizes Montgomery County to conduct the Montgomery County Beer Festival through a “festival organization” to be selected by the county. The bill establishes various requirements and limitations regarding the festival and the nonprofit organization selected to organize the festival.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None. The bill does not affect State finances.

Local Effect: Minimal increase in Montgomery County revenues from license fees collected from vendors that obtain a license to sell or display beer at the festival. Montgomery County can implement the bill with existing budgeted resources.

Small Business Effect: Potential minimal positive impact for small businesses that promote their products at the beer festivals.

Analysis

Bill Summary: “Festival organization” means a nonprofit organization that is selected by Montgomery County to organize a festival. In selecting a nonprofit organization, the county must ensure that the organization has extensive experience in organizing and managing large-scale public events.

The festival organization must select a location in Montgomery County to hold the festival, which may be a licensed or an unlicensed premises. The festival organization must ensure that the primary focus of the festival is the promotion of Maryland beer.

The festival is to be held no more than four weekends per year and is to be conducted under the supervision of the Montgomery County Department of Liquor Control.

The festival organization may only contract with holders of a current Montgomery County retail alcoholic beverages license, holders of a State Class 5 brewery license, holders of a State Class 6 pub-brewery license, holders of a State Class 7 micro-brewery license, or holders of a State Class 8 farm brewery license to sell and display beer at the festival.

Before a person may sell or display beer at a festival, the person must contract with the festival organization and obtain a special beer festival license from the Montgomery County Board of License Commissioners. The license fee is \$30 per day. License fees are deposited into the county's general fund. Beer may be displayed and sold during festival hours for consumption on the premises or consumption off the premises if the beer is in sealed containers.

The Montgomery County Board of License Commissioners may deny a special beer festival license, suspend or revoke a special beer festival license, or impose a fine of up to \$20,000 if the applicant or licensee violates a provision of the Alcoholic Beverages Article or the board's regulations.

The Montgomery County Board of License Commissioners must adopt regulations to implement the bill.

Current Law: Montgomery County is not currently authorized to conduct a beer festival. However, Chapter 49 of 2005 authorized Montgomery County to conduct a wine festival under specified conditions.

Background: Numerous beer and wine festivals are held annually throughout the State. The events are seen as advertising and publicity opportunities for the businesses that participate in the festivals. With the exception of Caroline, Kent, and Talbot counties, each jurisdiction in Maryland authorizes certain types of beer, wine, or special beer and wine festivals to take place in their respective jurisdictions. Seven of these jurisdictions are authorized to conduct a beer festival that must focus on Maryland-brewed beers.

Additional Information

Prior Introductions: None.

Cross File: SB 298 (Montgomery County Senators) - Education, Health, and Environmental Affairs.

Information Source(s): Montgomery County, Department of Legislative Services

Fiscal Note History: First Reader - January 23, 2014
mam/lgc Revised - House Third Reader - March 12, 2014

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