

Department of Legislative Services
Maryland General Assembly
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FISCAL AND POLICY NOTE
Revised

House Bill 269

(Montgomery County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

**Montgomery County - Alcoholic Beverages - Class B Beer, Wine and Liquor
(Clubhouse/Lodge) License
MC 20-14**

This bill establishes a Class B-BWL (Clubhouse/Lodge) alcoholic beverages license in Montgomery County and authorizes the Montgomery County Board of License Commissioners to issue the license for use by specified facilities. The annual license fee is \$1,000.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None.

Local Effect: Montgomery County revenues increase by \$500 for each license application due to filing fees and \$1,000 annually for each license issued as a result of the license fee established by the bill. Expenditures are not materially affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: The Montgomery County Board of License Commissioners may issue a Class B-BWL (Clubhouse/Lodge) license to the Executive Director of the Montgomery County Revenue Authority, or the executive director's designee, for use by a multi-use facility that accommodates a golf course, a restaurant, a clubhouse, a tasting bar, and the catering of events anywhere on the property. The license authorizes the licensee to (1) sell beer and wine for consumption off the licensed premises; (2) sell beer, wine, and

liquor for consumption on the licensed premises; and (3) offer samples of alcoholic beverages at no charge or for a fee.

The holder of this license is not required to be located in any specified geographic location and is not required to maintain any alcohol sales to food sales ratio. The annual license fee is \$1,000.

In addition, the Executive Director of the Montgomery County Revenue Authority or the executive director's designee may maintain more than one of this type of license for the limited use of public golf courses that are under the jurisdiction of the Revenue Authority.

Current Law: In Maryland, alcoholic beverages licenses are granted by each jurisdiction's Board of License Commissioners to permit the sale and consumption of alcohol at certain types of places such as restaurants, taverns, hotels, or places of public entertainment. Other types of establishments cannot normally acquire a license, but may be granted eligibility to apply. In Montgomery County, eligibility to apply for an alcoholic beverages license extends to theatres, corporate training centers, culinary schools, and art sale galleries. Generally, only one alcoholic beverages license may be issued to a single licensee, and no more than one license may be issued for the same premises, with specified exceptions.

In order to obtain a Class B-BWL license in Montgomery County, the owner of a restaurant or hotel must attest in a sworn statement that gross receipts from food sales in the establishment will be at least 50% of the total gross receipts from sales of food and alcoholic beverages combined. To renew this type of license in Montgomery County, the owner of a restaurant or hotel must attest in a sworn statement that gross receipts from food sales in the establishment were at least 50% of the total gross receipts from sales of food and alcoholic beverages combined in the 12-month period preceding the application.

Although State law generally limits the number of alcoholic beverages licenses that may be issued to a single license holder, in Montgomery County, additional Class B beer, wine, and liquor licenses may be obtained under specified conditions. However, a licensee may not hold more than 10 such licenses altogether. Seven of these 10 licenses must be located in specified geographic locations. The other three are not restricted by location.

In Montgomery County, it is unlawful for any corporation, club, or organization to sell, give, serve, dispense, keep, or allow to be consumed on its premises any alcoholic beverage unless licensed or permitted by law. This prohibition includes the serving of free alcohol with the purchase of another good or service. It is also unlawful for any

person to keep or consume an alcoholic beverage on any premises open to the public other than as specifically permitted by law.

For limited use on public golf courses that are under the jurisdiction of the Montgomery County Revenue Authority, the Executive Director of the Montgomery County Revenue Authority or the executive director's designee may hold more than one (1) Class H beer (on-sale) license or (2) Class H beer and light wine (on-sale) license.

Background: In fiscal 2013, there were 735 total Class B alcoholic beverage licenses issued in Montgomery County. Of those, 510 were Class B beer, wine, and liquor licenses.

The Montgomery County Revenue Authority, which operates as a public corporation, was established to construct, improve, equip, furnish, maintain, acquire, operate, and finance projects devoted wholly or partially for public use, good, or general welfare. The two primary activities of the authority are to operate self-supporting facilities and finance public facilities. For example, the authority manages a golf course system as well as the Montgomery County Airpark and issues bonds to raise capital, acquire land, or pay construction costs. Montgomery County reports that the authority is interested in redeveloping a property in Poolesville and would like to obtain the license established by the bill.

Local Revenues: It is expected that at least one Class B-BWL (Club/Lodge) alcoholic beverages license is issued. Montgomery County requires a fee of \$500 for each application for an alcoholic beverages license, and the annual fee for the new license is \$1,000. Thus, Montgomery County revenues increase by \$500 for each license application submitted and by \$1,000 annually for each license issued.

Additional Information

Prior Introductions: None.

Cross File: SB 459 (Montgomery County Senators) - Education, Health, and Environmental Affairs.

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

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