

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 91
Economic Matters

(Montgomery County Delegation)
Education, Health, and Environmental Affairs

Montgomery County - Alcoholic Beverages Licenses - Laytonsville
MC 12-15

This bill repeals the authority of the Montgomery County Board of License Commissioners to issue up to two Class H (on-sale) beer and light wine, hotel and restaurant licenses for use in the town of Laytonsville. In place of the Class H license, the bill authorizes the board to issue up to two Class B (on-sale) beer, wine, and liquor licenses for use in the town of Laytonsville; the license may be issued to a restaurant containing recreational devices.

The bill takes effect July 1, 2015.

Fiscal Summary

State Effect: None.

Local Effect: Assuming one application is filed and one Class B license beer, wine, and liquor license is issued, Montgomery County revenues increase by \$600 due to the applicable filing fees and \$2,500 annually due to the applicable license fees. Revenues also decrease \$400 annually due to the repeal of the Class H license, resulting in a net revenue increase of \$2,700 in the first year and \$2,100 annually thereafter. Monitoring of this license can be handled with existing resources.

Small Business Effect: Potential meaningful. The entity that currently holds a Class H (on-sale) beer and light wine license in Laytonsville is a small business and has expressed interest in obtaining a Class B beer, wine, and liquor license in Laytonsville.

Analysis

Current Law: The Montgomery County Board of License Commissioners requires a filing fee of \$600 with each application for an alcoholic beverages license, and the annual license fee for a Class B beer, wine, and liquor license is \$2,500.

The Montgomery County Board of License Commissioners may issue, renew, or transfer a maximum of two Class H (on-sale) beer and light wine, hotel and restaurant licenses for use in the town of Laytonsville. Montgomery County charges an annual license fee of \$400 for this license. No license may be issued to any restaurant in which pool tables, billiard tables, shuffleboards, dart boards, video games, pinball machines, or recreational devices are used. Alcoholic beverages served by a licensee may only be consumed by patrons while they are seated. No other alcoholic beverage licenses are authorized to be issued to a place of business in Laytonsville.

Background: Montgomery County reports that only one Class H (on-sale) beer and light wine license is currently issued, and it is the only license issued in the town of Laytonsville. Furthermore, this business has expressed interest in obtaining a Class B license in order to serve liquor.

As of fiscal 2014, there were a total of 507 Class B beer, wine, and liquor licenses issued in Montgomery County.

Local Revenues: Montgomery County receives \$400 annually from the licensing fee for the one Class H (on-sale) beer and light wine license currently issued in Laytonsville. Montgomery County reports that, under the bill, this business will likely apply for and obtain a Class B beer, wine, and liquor license. As such, Montgomery County revenues decrease by \$400 annually due to the repeal of the Class H license, but increase by \$3,100 in the first year and \$2,500 annually thereafter due to the applicable filing and licensing fees for a Class B beer, wine, and liquor license. This results in a net increase of \$2,700 in the first year and \$2,100 annually thereafter.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 2, 2015
mel/lgc

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