

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 922

(Senator Serafini)

Education, Health, and Environmental Affairs

Economic Matters

City of Hagerstown - Alcoholic Beverages - Outdoor Festivals and Street Festival
Licenses

This bill authorizes the Washington County Board of License Commissioners to issue a special Class C (on-sale) beer and wine street festival license to a not-for-profit club, society, association, or organization in the Arts and Entertainment District within the City of Hagerstown in accordance with specified requirements. The license fee is \$30 per day. The bill establishes provisions relating to the purchase and consumption of beer and wine for individuals at approved events and establishes penalties for violations of specified wristband requirements.

The bill takes effect June 1, 2015.

Fiscal Summary

State Effect: None.

Local Effect: The bill's provisions are not anticipated to materially impact local finances or operations. Enforcement can be handled with existing resources.

Small Business Effect: Minimal overall, but potential meaningful impact for small businesses that obtain a street festival license and other small businesses in the affected areas who may realize an increase in economic activity as a result of the bill.

Analysis

Bill Summary: The special Class C (on-sale) beer and wine street festival license entitles the holder to exercise any of the privileges conferred by the license at a bona fide entertainment event that is held in the Arts and Entertainment District in Hagerstown and

is approved by the Mayor and City Council of Hagerstown. The total number of days authorized by the license is limited to 26 per calendar year. The bill exempts an applicant for a special Class C beer license, a special Class C beer and wine license, or a special Class C (on-sale) beer and wine street festival license from specified criminal history records check requirements, specified public notice requirements, and specified open meetings requirements.

A holder of a special Class C (on-sale) beer and wine street festival license must distribute a wristband to each individual at the event who is at least 21 years old and may not serve an alcoholic beverage to any individual who does not wear the wristband. A person who violates the bill's wristband requirements is subject to a fine of \$250 for the first offense; for a second offense, the person is subject to a fine of up to \$1,000 and denial of further requests for special Class C (on-sale) beer and wine street festival licenses.

The board may adopt regulations to implement the above provisions.

During an event, an individual may:

- purchase beer or wine from the holder of a street festival license or purchase beer or wine from, and consume on the premises of, a license holder with on-sale privileges within the Arts and Entertainment District;
- transport the beer or wine in the designated container to the premises of another license holder with on-sale privileges in the Arts and Entertainment District and within the approved event area; and
- consume the beer or wine within the Arts and Entertainment District approved event area, including on the premises of any license holder with on-sale privileges.

Current Law: In Maryland, a Class C license allows a holder to sell or provide alcoholic beverages at a club or similar organization for consumption on premises. With limited exceptions, a person may not consume any alcoholic beverage on a licensed premises that was purchased from another licensed premises, and a license holder may not allow any person to consume any alcoholic beverage purchased off the licensed premises.

Background: The City of Hagerstown advises that the intent of the bill is to improve economic interaction between street festivals and permanent establishments located within the Arts and Entertainment District. The city advises that, under current law, an individual who has purchased an alcoholic beverage inside an establishment may not take the beverage outside to the festival, nor may an individual bring alcoholic beverages purchased outside at the festival into an establishment. By allowing individuals to move between street festivals and establishments with on-sale privileges within the Arts and Entertainment District, the city hopes to better integrate local businesses into the festivals.

According to the city, as of April 6, 2015, there were 20 establishments located within the Arts and Entertainment District for which an alcoholic beverages license with on-sale privileges had been issued.

Additional Information

Prior Introductions: None.

Cross File: HB 1271 (Delegate B. Wilson) - Rules and Executive Nominations.

Information Source(s): City of Hagerstown, Washington County, Department of Legislative Services

Fiscal Note History: First Reader - March 24, 2015
md/lgc Revised - Senate Third Reader - April 8, 2015
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