

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 273
Economic Matters

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

Frederick County - Alcoholic Beverages - Wine Events, Licensing, Alcohol Awareness Requirements, and Fines

This bill makes various changes to the alcoholic beverages laws in Frederick County. First, the bill restricts the number of bottles of wine that may be open at any one time at a wine sampling or tasting event held under a beer, wine, and liquor tasting (BWLTL) license in Frederick County. Second, the bill makes changes to the laws related to certificates accompanying new applications for alcoholic beverages licenses. Third, the bill modifies provisions relating to alcohol awareness training for specified employees at establishments licensed to sell alcoholic beverages. Finally, the bill modifies specified enforcement provisions.

The bill takes effect July 1, 2015.

Fiscal Summary

State Effect: None.

Local Effect: Potential minimal increase in Frederick County fine revenues due to the bill's changes to enforcement provisions. Expenditures are not materially affected.

Small Business Effect: Minimal. Expenditures may increase minimally for any small business that needs to certify additional employees as a result of the bill's alcohol awareness program requirements, as discussed below.

Analysis

Bill Summary:

Wine Preservation Systems

The bill restricts the number of bottles of wine at a wine sampling or tasting event held under a BWLT license in Frederick County that may be opened at any one time to (1) all bottles in a wine preservation system approved by the Board of License Commissioners and (2) up to six other bottles, as specified.

Certificates Accompanying Applications

The bill makes changes to provisions relating to certificates accompanying new applications for alcoholic beverages licenses. Specifically, the bill requires an applicant to collect the required 10 signatures for the certificate from owners of real property within 5,000 feet of the premises for which a license is sought. If there are not enough owners of real property within 5,000 feet of the premises, the persons signing the certificate must be drawn from owners of real estate within the area of a circle that has the premises for which a license is sought at the center and encompasses properties owned by at least 1,000 persons.

Certified Alcohol Awareness Licensee/Person

The bill requires that an alcoholic beverages licensee or a person employed as a supervisor by a licensee be certified by an approved alcohol awareness program and be present at the location when alcoholic beverages are sold. The certified person may be absent from the licensed premises, for up to two hours, for an emergency that meets standards set by the board.

Enforcement

The bill increases the maximum fine that the board may impose from \$1,500 to \$3,000 per offense for any violation that is cause for suspension. The bill also authorizes the board to reduce a suspension by allowing the licensee to pay a fine of up to \$1,000 for each week the suspension is reduced.

Current Law:

Wine Preservation Systems

There is no restriction on the number of bottles of wine at a wine sampling or tasting event held under a BWLT license that may be open at any one time. However, under provisions related to the beer and wine sampling or tasting (BWST) license, the number of bottles that may be open at any one time includes all bottles in a wine preservation system approved by the board and up to six other bottles, as specified.

Certificates Accompanying New Applications

Every new application for a license must be made to the board must be made on forms prescribed by the Comptroller and sworn to by the applicant. Every application for a license must also contain a certificate signed by at least 10 citizens who are owners of real estate and registered voters of the precinct in which the business is to be conducted, stating (1) the length of time each has been acquainted with the applicant, or in the case of a corporation with the individuals making the application; (2) that they have examined the application of the applicant and that they have good reason to believe that all the statements contained in the application are true; and (3) that they are of the opinion that the applicant is a suitable person to obtain the license. The certificate must have a statement that the signers of it are familiar with the premises upon which the proposed business is to be conducted, and that they believe the premises are suitable for the conduct of the business of a retail dealer in alcoholic beverages.

Alcohol Awareness Programs

Alcohol awareness programs are approved and certified by the State Comptroller. The programs must (1) include instruction on how alcohol affects a person's body and behavior; (2) provide education on the dangers of drinking and driving; and (3) define effective methods for serving customers to minimize the chance of intoxication, ceasing service before a customer becomes intoxicated, and determining if a customer is not of legal drinking age.

A holder of any class of retail alcoholic beverages license or an employee designated by the holder must complete an approved alcohol awareness program. The program is valid for four years, at which time the individual must complete a retraining course. Individuals who complete the program are issued certificates of completion.

In Caroline, Howard, Kent, Montgomery, Washington, Wicomico, and Worcester counties, the licensee or a supervisor authorized by the licensee are required to be certified and present at the licensed establishment at all times when alcohol is served, with specified

exceptions. This requirement does not apply to a holder of a Class C license in Wicomico County or Worcester County. In Howard, Kent, Washington, Wicomico, and Worcester counties, the person certified by an approved alcohol awareness program may be absent from the licensed premises for a bona fide personal or business reason or an emergency, if the absence lasts for no more than two hours. In Caroline County, the person certified by an approved alcohol awareness program may be absent from the licensed premises for a bona fide emergency, if the absence lasts for no more than two hours.

Enforcement

The maximum fine that may be imposed by the Board of License Commissioners is \$1,500 per violation that is cause for suspension.

Background: In fiscal 2014, there were 53 Class A beer, wine, and liquor licenses issued in Frederick County. There were a total of 305 alcoholic beverages licenses issued in Frederick County in fiscal 2014.

Small Business Effect: Some businesses pay for or reimburse employees to attend alcohol awareness programs, while others require employees to pay their own training expenses. Businesses in Frederick County that pay for employee training and need to train additional employees may incur additional costs as a result of this bill. However, any such costs are expected to be minimal. *For illustrative purposes*, the Maryland State Licensed Beverage Association, which sponsors an alcohol awareness program in the State, charges \$70 (members) or \$80 (nonmembers) per person for training.

In addition, Frederick County advises that it has been approved to become certified alcohol awareness trainers. The county has applied for a grant for training materials and testing; if the grant is approved, the alcohol awareness training could be offered at no cost to licensees. Without the grant, the county advises that the cost to licensees is approximately \$20 per individual.

Additional Information

Prior Introductions: None.

Cross File: SB 500 (Senators Young and Hough) – Education, Health, and Environmental Affairs.

Information Source(s): Frederick County, Comptroller's Office, Maryland State Licensed Beverage Association, Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2015

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