

**Department of Legislative Services**  
Maryland General Assembly  
2015 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 399

(Harford County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

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**Harford County - Alcoholic Beverages - Class DBR License**

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This bill establishes a Class DBR license in Harford County. The annual license fee is \$500. The Harford County Board of License Commissioners may issue a Class DBR license to a holder of a Class 5 manufacturer's (brewery) license. A Class DBR license serves as the on-site consumption permit and the license equivalent to a Class D license. The bill authorizes the holder of a Class DBR license to sell beer brewed at the brewery, but caps the sale of beer for on-premises consumption at 500 barrels per year. A license holder may not sell beer for off-premises consumption beyond what is allowed under the license holder's Class 5 manufacturer's (brewery) license. A license holder is not required to sell food, but is required to provide prepackaged snacks. The bill also establishes provisions relating to the hours of sale and future minimum capital investment requirements.

The bill takes effect July 1, 2015.

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**Fiscal Summary**

**State Effect:** None, assuming the bill has no impact on the number of Class 5 manufacturer's (brewery) licenses issued by the Comptroller.

**Local Effect:** Harford County revenues increase by \$1,000 in the first year and \$500 annually thereafter for each Class DBR license issued, reflecting the \$500 application fee and the \$500 annual license fee. Expenditures are not materially affected.

**Small Business Effect:** Minimal overall, but potential meaningful positive impact for any small business that obtains a Class DBR license.

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## Analysis

**Bill Summary:** The hours of sale are 8 a.m. to 2 a.m., seven days per week.

The bill specifies that the value of any equipment used on the premises may be used toward meeting any future minimum capital investment requirement imposed on a holder of a Class DBR license.

**Current Law:** A Class 5 manufacturer's (brewery) license, which is issued by the Comptroller, authorizes the license holder to (1) establish and operate a plant in Maryland for brewing and bottling malt beverages at the location described in the license; (2) import beer from holders of nonresident dealer's permits; (3) sell and deliver beer to any wholesale licensee in the State, or person outside of the State, authorized to acquire it; and (4) sell beer brewed at the location described in the license for on-premises consumption, subject to provisions of law governing an on-site consumption permit.

A local licensing board *must* grant an on-site consumption permit to an applicant that holds a Class 5 manufacturer's license or a Class D beer license. However, if a local licensing board does not issue a Class D license, the board must create a Class D beer license or an equivalent license and require that the holder of the Class 5 manufacturer's license apply for it in order to be granted approval for on-site consumption.

**Background:** In fiscal 2014, there were no Class D beer licenses issued in Harford County. There were 19 Class 5 manufacturer's (brewery) licenses in effect statewide, none of which were in Harford County.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 19, 2015  
md/lgc Revised - House Third Reader - March 23, 2015

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