

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 843
Economic Matters

(Frederick County Delegation)

Education, Health, and Environmental Affairs

Frederick County - Alcoholic Beverages - Beauty Salon License

This bill authorizes the Frederick County Board of License Commissioners to issue a beauty salon beer and wine license to a holder of a beauty salon permit. The annual license fee is \$100. The license authorizes the licensee to provide up to five ounces of beer or wine by the glass for on-premises consumption by a beauty salon customer during specified cosmetology services and permitted fundraising events. The license may not be transferred to another location. Beer and wine may be provided during normal business hours but no later than 9 p.m. Licensees are subject to specified alcohol awareness training requirements.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Frederick County revenues increase by a minimal amount from application fees, license fees, and renewal fees. Frederick County can monitor licenses with existing resources.

Small Business Effect: Minimal.

Analysis

Current Law: Under the Business Occupations and Professions Article, a “beauty salon” is any commercial establishment, excluding barbershops, where cosmetology is practiced.

“Cosmetology” includes the sale of a variety of hair, nail, and skin services but does not include merely shampooing or fitting, styling, and selling wigs or hairpieces.

In Maryland, alcoholic beverage licenses are granted by each jurisdiction’s Board of License Commissioners to permit the sale and consumption of alcohol at specified places such as restaurants, taverns, hotels, clubs, or places of public entertainment. Other types of establishments cannot normally acquire a license but may be granted eligibility to apply.

Generally, for a premises that is licensed to sell alcoholic beverages with an off-sale privileges or a premises that is licensed with on-sale privileges and sells alcoholic beverages directly to a customer from a bar or service bar, the license holder or specified employees must complete training in an approved alcohol awareness program in order to obtain and retain their alcoholic beverages license. Howard, Kent, Montgomery, Washington, and Wicomico counties have stricter requirements, and in those counties, any holder of any class of retail alcoholic beverages license, or an employee designated by the holder, must complete such a training. The training program must be approved and certified by the Comptroller and it must provide information on how alcohol affects a person’s body and behavior, the dangers of drinking and driving, refusing service before a customer becomes intoxicated, and determining if a customer is old enough to legally consume alcohol. The training is valid for four years.

Background: In fiscal 2015, there were 310 alcoholic beverages licenses in Frederick County. Of these, 18 allowed the sale of beer; 60 allowed the sale of beer and wine; and 229 allowed the sale of beer, wine, and liquor. According to the Department of Labor, Licensing, and Regulation, there are 4,095 full-service beauty salons, and 677 limited-service beauty salons permitted in the State. Of this amount, 189 permits are issued for locations in Frederick County.

Local Fiscal Effect: To the extent that the bill results in additional applications for and issuance of alcoholic beverages licenses in Frederick County, county revenues increase due to application filing fees (\$750), annual licensing fees (\$100), and annual renewal fees (\$100). However, the number of individuals that will seek to obtain a license as a result of the bill, and any corresponding revenue increase, cannot be reliably estimated at this time.

Additional Information

Prior Introductions: None.

Cross File: SB 695 (Senators Young and Hough) - Education, Health, and Environmental Affairs.

Information Source(s): Frederick County; Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2016
min/hlb

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