

Department of Legislative Services  
Maryland General Assembly  
2016 Session

FISCAL AND POLICY NOTE  
Third Reader

Senate Bill 693

(Senators Young and Hough)

Education, Health, and Environmental Affairs

Economic Matters

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Frederick County - Alcoholic Beverages - Hotel Lobby License

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This bill establishes a hotel lobby license in Frederick County and authorizes the Frederick County Board of License Commissioners to issue the license to a hotel that does not have a restaurant. The license fee is \$100. The license authorizes the holder to sell beer and wine by the bottle from a store in the hotel lobby to patrons of the hotel for on-premises consumption. Alcohol may be sold (1) on Monday through Saturday, from 6:00 a.m. to 2:00 a.m. the following day and (2) on Sunday from 11:00 a.m. to 2:00 a.m. the following day.

The bill takes effect July 1, 2016.

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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 overall, but potential meaningful for a small business that obtains a hotel lobby alcoholic beverages license.

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Analysis

**Current Law:** Under State law, a hotel means an establishment that accommodates the public, has at least 10 bedrooms and a dining room with facilities for preparing and serving regular meals, and has average daily receipts from the rental of rooms and sale of food that

exceed the average daily receipts from the sale of alcoholic beverages. A local licensing board may set a different standard as to what constitutes a hotel.

In Frederick County, a Class B beer and wine license may be issued to a hotel or restaurant if, with specified exceptions, the area normally used as a restaurant for the preparation and consumption of food and beverages is no less than 80% of the square footage of the premises. The license authorizes the holder to sell beer and wine for on- and off-premises consumption. The annual license fee is \$160.

**Background:** In fiscal 2015, there were 310 alcoholic beverages licenses issued for use in Frederick County, including 7 hotel licenses.

**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). Frederick County estimates that there are 44 hotels that would qualify for a license under the bill. 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.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 841 (Frederick County Delegation) - Economic Matters.

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

**Fiscal Note History:** First Reader - February 15, 2016  
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Analysis by: Nathan W. McCurdy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510