

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1075 (Montgomery County Delegation)
Economic Matters

Montgomery County - Gaithersburg - Licensed Alcoholic Beverages Restaurants
- Exemption From Distance Restrictions
MC 23-16

This bill authorizes the Montgomery County Board of License Commissioners, by majority vote, to issue a Class B beer, wine, and liquor (on-sale) license for a restaurant regardless of its distance from a school, place of worship, or youth center sponsored or conducted by a government agency if (1) the restaurant is located in the City of Gaithersburg Corridor Development and (2) the restaurant otherwise qualifies for the license.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Montgomery County revenues increase by \$600 for each Class B beer, wine, and liquor (on-sale) license application due to filing fees and \$2,500 annually for each Class B beer, wine, and liquor (on-sale) license issued due to annual license fees. Monitoring of any additional licenses issued can be handled using existing resources.

Small Business Effect: Minimal overall, but potential meaningful impact for any small business that obtains a Class B beer, wine, and liquor (on-sale) license under the bill.

Analysis

Current Law: The Montgomery County Board of License Commissioners requires a filing fee of \$600 with each application for an alcoholic beverages license, and the annual license fee for a Class B beer, wine, and liquor license is \$2,500.

Generally, the Montgomery County Board of License Commissioners may not issue any license to sell alcoholic beverages within 750 feet of any (1) secondary or elementary school; (2) place of worship; or (3) youth center sponsored or conducted by any governmental agency. However, by majority vote, the Montgomery County Board of License Commissioners may issue a license for use at a location more than 300 feet from an elementary or secondary school, place of worship, or youth center sponsored or conducted by a governmental agency under specified conditions. Chapter 66 of 2015 created an exemption to this requirement by allowing a Class B beer, wine, and liquor license to be issued for a specific geographic location in Gaithersburg, as long as that locations was more than 275 feet from a place of worship.

The limitation regarding distance does not apply to, affect, or prohibit the renewal, transfer, or reissuance of an alcoholic beverages license that was issued before a school, place of worship, or youth center was erected within 750 feet of the licensed premises. This restriction also does not apply to a special culinary school license that may be issued for use on the premises of a private culinary educational institution.

Background: In fiscal 2015, 520 Class B beer, wine, and liquor licenses were in effect for locations in Montgomery County.

Local Revenues: The Montgomery County Board of License Commissioners requires a filing fee of \$600 with each application for an alcoholic beverages license, and the annual license fee for a Class B beer, wine, and liquor license is \$2,500. Thus, local revenues increase by \$600 at the time of application and \$2,500 annually for each license issued as a result of the bill. *For illustrative purposes*, if one entity applies for and obtains a Class B license due to the bill's provisions, Montgomery County revenues increase by \$3,100 in the first year and \$2,500 annually thereafter.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Montgomery County, Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2016
min/hlb

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