

Department of Legislative Services  
Maryland General Assembly  
2016 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

Senate Bill 696

(Senators Young and Hough)

Education, Health, and Environmental Affairs

Economic Matters

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**Frederick County - Alcoholic Beverages - Art Gallery Beer and Wine License**

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This bill authorizes the Frederick County Board of License Commissioners to issue an art gallery beer and wine license to a nonprofit or for-profit retail business engaged in the display and sale of original artwork, or copies of original artwork that are reproduced no more than 300 times, by an artist or group of artists. A business that displays and sells commercially prepared or mass-produced artistic products may not be issued the license. The annual license fee is \$100. The license authorizes the licensee to sell or serve beer and wine at retail for on-premises consumption when snacks are served. Beer and wine may be provided during normal business hours but no later than midnight. The license may not be transferred to another location.

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:** Potential minimal increase in revenues for small art galleries in Frederick County.

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## Analysis

**Current Law:** 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.

Generally, for a premises that is licensed to sell alcoholic beverages with 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. There are approximately 21 art galleries in Frederick County that may qualify for a special art gallery beer and wine license.

**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 who 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 842 (Frederick County Delegation) - Economic Matters.

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

**Fiscal Note History:** First Reader - February 15, 2016  
kb/hlb Revised - Senate Third Reader - March 17, 2016  
Revised - Enrolled Bill - May 11, 2016

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