

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 1076

(Washington County Senators)

Education, Health, and Environmental Affairs

Economic Matters

Washington County - Alcoholic Beverages - Population Ratio Quota - Classes of Licenses

This bill specifies the types of licenses that the Washington County Board of License Commissioners is prohibited from issuing in an election district if the number of licenses exceeds the “population ratio quota.” The bill also clarifies that the board may issue specified licenses that would otherwise violate the population ratio quota in an election district, where such a license would otherwise not be permitted, if the board determines that there is a public need *and desire* for a license. Finally, the bill reduces the minimum seating capacity required for a Class B on- and off-sale license from seating for 75 to 50 persons, in line with the requirement for a Class B on-sale license.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Specifying the types of licenses that the board is prohibited from issuing does not materially affect Washington County revenues because the board may issue additional licenses regardless of the population ratio quota if it determines that there is a public need for the issuance of a license.

Small Business Effect: Overall minimal, but potential meaningful impact for small businesses that are newly able to obtain an alcoholic beverages license under the bill.

Analysis

Bill Summary: The bill prohibits the board from issuing a Class A off-sale license, a Class B on- and off-sale license, or a Class D on- and off-sale license in an election district if the number of licenses exceeds the population ratio quota.

Current Law: In Washington County, the “population ratio quota” means one alcoholic beverages license for every 3,000 individuals, excluding individuals detained or confined in a correctional facility, residing in the election district where the license will be issued as determined by the last federal population census. An alcoholic beverages license may not be issued within an election district if the number of licenses exceeds the population ratio quota. The board, however, may issue additional licenses regardless of the population ratio quota if it determines that there is a public need for the issuance of a license, including government-sanctioned economic revitalization.

The board may issue an on-sale license to a restaurant that is in a permanent building, regularly sells and serves food to the general public, has a seating capacity of at least 75 persons for a Class B (on- and off-sale) license, or has a seating capacity of at least 50 persons for a Class B (on-sale) license, and annually has gross sales of food and nonalcoholic beverages that exceed its annual gross sales of alcoholic beverages. Generally, such licenses issued to restaurants are exempted from the population ratio quota limitation.

Background: The total number of licenses for each election district for 2016 is shown in **Exhibit 1**. Overall, as of February 17, 2016, 198 alcoholic beverages licenses were issued for use in Washington County, equivalent to one license per 745 individuals.

Exhibit 1
Population and Licenses by Election District
2016

<u>District</u>	<u>Population</u>	<u>Licenses</u>	<u>District</u>	<u>Population</u>	<u>Licenses</u>
1	3,286	5	15	2,019	1
2	4,366	7	16	3,852	2
3	8,937	24	17	6,966	22
4	3,080	4	18	10,902	7
5	3,381	12	19	2,519	1
6	6,116	8	20	2,177	3
7	6,343	4	21	8,048	9
8	2,478	1	22	6,684	12
9	2,918	3	23	5,266	2
10	12,166	16	24	1,285	2
11	1,874	1	25	9,027	17
12	6,966	1	26	10,769	19
13	5,914	2	27	7,339	12
14	2,752	3			

Source: Washington County Board of License Commissioners

Additional Information

Prior Introductions: None.

Cross File: HB 1551 (Washington County Delegation) - Rules and Executive Nominations.

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

Fiscal Note History: First Reader - March 11, 2016
kb/hlb

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