

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 296

(Delegate Carr, *et al.*)

Economic Matters

Alcoholic Beverages - Warehouse Shopping Clubs - Beer or Wine Licenses

This bill authorizes any local alcoholic beverages licensing board in the State to issue a Class A (off-sale) beer license, wine license, or beer and wine license for use in conjunction with or on the premises of a warehouse shopping club that (1) has a minimum of 120,000 square feet of retail and storage area and (2) is within 10 miles of the State border. A license holder may only sell beer or wine by the case and may not operate a gasoline service station or allow a gasoline service station to be operated on or adjacent to the licensed premises.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: The bill does not materially affect State tax revenues relating to the sale and consumption of alcoholic beverages.

Local Effect: Local licensing revenues may increase beginning in FY 2018 to the extent additional Class A beer licenses, wine licenses, or beer and wine licenses are issued. Local expenditures are not materially affected.

Small Business Effect: Minimal. Small businesses that sell beer or wine may experience a decrease in beer and wine sales as a result of increased competition from warehouse shopping clubs.

Analysis

Current Law: Except by way of renewal, or as otherwise provided, a Class A, Class B, or Class D alcoholic beverages license may not be granted, transferred, or issued to, or for use in conjunction with, or upon the premises of any chain store, supermarket, or discount house. A discount house does not include a licensee who sells at discount prices.

Background: In fiscal 2016, there were 55 Class A beer licenses and 455 Class A beer and wine licenses issued in the State. There were no Class A wine licenses issued in the State in that year.

Local Revenues: Local licensing revenues may increase beginning in fiscal 2018 to the extent additional Class A beer licenses, wine licenses, or beer and wine licenses are issued. However, since a warehouse shopping club must be within 10 miles of the State border and may not operate a gasoline service station or allow a gasoline service station to be operated on or adjacent to the licensed premises, few stores are likely to be eligible for a Class A license.

Using data from Johns Hopkins Maryland Food System Map, the Department of Legislative Services estimates that three stores may be eligible for a license under the bill. Two of the stores are in Gaithersburg in Montgomery County, and one store is in Wheaton in Montgomery County.

Additional Information

Prior Introductions: HB 931 of 2016, a similar bill, received an unfavorable report from the House Economic Matters Committee.

Cross File: None.

Information Source(s): Baltimore City; Caroline and Montgomery counties; Comptroller's Office; Department of Legislative Services

Fiscal Note History: First Reader - February 14, 2017
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