

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 396 (Frederick County Delegation)
Economic Matters

Frederick County - Alcoholic Beverages - Cigar Shop Licenses

This bill establishes a cigar shop beer, wine, and liquor license in Frederick County that authorizes the holder to sell beer, wine, and liquor to a cigar shop customer for consumption in the smoking room of the cigar shop during normal business hours. The Frederick County Board of License Commissioners may issue the license to a cigar shop that derives at least 70% of its revenue from the sale of cigars, as measured by average daily receipts. The average daily receipts from the sale of alcoholic beverages at the cigar shop may not exceed 17% of the average daily receipts of the business. The license may not be transferred to a different location, and the license holder is subject to specified alcohol awareness training requirements. The annual license fee is \$500.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: None.

Local Effect: Potential minimal increase in Frederick County revenues due to application and license fee revenue. The bill affects a small number of eligible cigar shops. Enforcement can be handled with existing resources.

Small Business Effect: Minimal.

Analysis

Current Law: There are no provisions in State law for a cigar shop beer, wine, and liquor license. The Frederick County Board of License Commissioners issues a beauty salon beer

and wine license which authorizes the license holder to provide no more than five ounces of beer or wine by the glass for on-premises consumption by a beauty salon customer under specified circumstances.

Local Revenues: Frederick County advises that the bill only applies to a small number of cigar shops and there is no way to determine how many of those establishments will file an application. In addition to the \$500 annual license fee, the application fee is \$750 for a new license, and the license renewal fee is \$100.

Additional Information

Prior Introductions: None.

Cross File: SB 326 (Senators Young and Hough) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 17, 2017
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