

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 526

(St. Mary's County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

St. Mary's County - Alcoholic Beverages - Art Establishment License

This bill authorizes the St. Mary's County Board of License Commissioners to issue an art establishment license to a for-profit retail business engaged in the display, sale, or demonstration of original art by an artist or group of artists, or the instruction of participating clients in creating art. The holder may sell or serve beer and wine at retail for on-premises consumption. The holder is limited to selling or serving not more than two 12-ounce offerings of beer, or two 5-ounce offerings of wine to a participating client or customer. Beer or wine may not be sold or served after 10 p.m. Licensees are subject to specified alcohol awareness training requirements. The license may not be transferred to another location, and the annual license fee is \$300.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: None.

Local Effect: St. Mary's County revenues increase minimally due to additional license fees. St. Mary's County can monitor licenses with existing resources.

Small Business Effect: Potential minimal increase in revenues for small art galleries in St. Mary's County.

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. 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 2016, there were 165 alcoholic beverages licenses in St. Mary's County. Of these, 4 allowed the sale of beer, 13 allowed the sale of beer and wine, and 147 allowed the sale of beer, wine, and liquor.

Local Fiscal Effect: St. Mary's County revenues increase by \$300 annually for each new license issued. As the number of individuals who will seek to obtain a license as a result of the bill is unknown, any corresponding revenue increase cannot be reliably estimated at this time. However, any increase in revenues is not anticipated to be significant, and any increase in inspections and enforcement activity can likely be absorbed with existing resources.

Additional Information

Prior Introductions: HB 1490 of 2014, a similar bill, received an unfavorable report from the House Economic Matters Committee.

Cross File: None.

Information Source(s): St. Mary's County; Department of Legislative Services

Fiscal Note History: First Reader - February 14, 2017
mm/tso Third Reader - March 14, 2017

Analysis by: Nathan W. McCurdy

Direct Inquiries to:
(410) 946-5510
(301) 970-5510