

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 741
Economic Matters

(Harford County Delegation)
Education, Health, and Environmental Affairs

Harford County - Alcoholic Beverages - Class DBR Licenses

This bill prohibits the Harford County Board of License Commissioners from issuing more than two Class DBR licenses to the same person. The bill also authorizes a Class DBR license holder to sell beer brewed at the brewery for on- and off-premises consumption to the extent the license holder is allowed to do so under the holder’s Class 5 brewery license. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: None.

Local Effect: The bill is not anticipated to materially impact Harford County finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law:

Class DBR License in Harford County

Generally, “person” means (1) an individual; (2) an association, a partnership, a corporation, a trust, or any other entity, and the officers, directors, and other individuals in active control of the activities of the association, partnership, corporation, trust, or other entity; or (3) the State or a political subdivision of the State, or another state or a political subdivision of that state.

In Harford County, a Class DBR license may be issued to a holder of a Class 5 brewery license. The license serves as the on-premises consumption permit and the license equivalent to a Class D license. The license holder is not required to sell food but is required to provide prepackaged snacks. The license holder may sell beer brewed at the brewery not exceeding 500 barrels per year for on-premises consumption but may not sell any beer for off-premises consumption other than what is allowed under the license holder's Class 5 brewery license. The value of the equipment used on the premises may be used toward meeting any minimum capital investment requirement imposed on a holder of the license. The hours of sale are the same as a Class D beer, wine, and liquor license (Monday through Sunday, from 8 a.m. to 2 a.m. the following day), and the annual license fee is \$500.

Class 5 Brewery License

A Class 5 brewery may serve samples of beer to an individual who participates in a guided tour of the brewery or attends a scheduled promotional event; an individual may be served up to 18 ounces of beer in this manner per visit. Generally, the beer brewed at the brewery may also be sold for off-premises consumption at retail in a container other than a keg to an individual participating in a guided tour of the brewery or attending a scheduled promotional event or other organized activity at the brewery. Each individual may purchase up to 288 ounces of beer per visit.

A Class 5 brewery may sell up to 2,000 barrels each year for on-premises consumption. A brewery may sell or sample an additional 1,000 barrels of its own beer if the additional beer is sold to and purchased back from a licensed wholesaler and the brewery receives permission from the Comptroller's Office. If a brewery produces more than 1 million barrels of beer each year, it must buy any beer it wishes to sell or serve for on-premises consumption back from a licensed wholesaler.

Background: In fiscal 2017, 202 alcoholic beverages licenses were issued for use in Harford County. There are currently 2 Class DBR licenses issued for use in the county.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 6, 2018
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