

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 147 (Montgomery County Delegation)
Economic Matters

**Montgomery County - Alcoholic Beverages Licenses - Inspections and Statements
During Initial License Year
MC 7-18**

This bill decreases how often the licensed premises for certain alcoholic beverages licenses in Montgomery County must be physically inspected during the initial license year. Specifically, for all licenses, except temporary licenses, the licensed premises must be inspected quarterly during the initial license year and periodically thereafter. The bill also repeals a requirement that certain licensees submit monthly statements showing alcohol and food sales for the preceding month during the initial license year. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: The bill does not affect State operations or finances.

Local Effect: Although the bill is not expected to materially affect Montgomery County operations or finances, the county may experience operational efficiencies from performing fewer physical inspections of licensed premises.

Small Business Effect: Minimal.

Analysis

Current Law/Background: In Maryland, Class B licenses allow licensees to sell alcoholic beverages in specified hotels and restaurants for consumption on- or off-premises. Similarly, a Class D license allows the sale of alcoholic beverages in establishments such as taverns and bars.

In Montgomery County, (1) a Class B beer, wine, and liquor license authorizes the sale of beer, wine, and liquor for on-premises consumption only; (2) a Class BD-BWL license authorizes the sale of beer and wine for on- or off-premises consumption and liquor for on-premises consumption only; and (3) a Class D beer, wine, and liquor license authorizes the sale of beer, wine, and liquor for on-premises consumption only. Generally, for these three licenses, the licensed business must maintain food sales equal to at least 40% of food and alcohol sales combined. The board must inspect the premises periodically and audit the licensee to determine the required ratio is being maintained.

During the initial license year, for all three types of licenses, the Montgomery County Board of License Commissioners must make monthly physical inspections of the premises, and the licensee must submit monthly statements that show food and alcohol sales to ensure the required ratio is being maintained. After this initial license year, the board must inspect the premises periodically and audit the licensee to determine that the required ratio is being maintained.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 26, 2018

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