

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 312

(Frederick County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

Frederick County - Alcoholic Beverages - Multiple Licenses Allowed

This bill authorizes the Frederick County Board of License Commissioners to issue (1) up to 10 Class B beer, wine, and liquor (BWL) hotel or motel licenses to a single license holder; (2) up to 10 Class B BWL hotel or restaurant licenses to a single license holder; (3) up to 10 Class EC (entertainment center) licenses to a single license holder; and (4) up to 10 hotel lobby licenses to a single license holder. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: None.

Local Effect: Frederick County revenues increase to the extent that the bill results in the issuance of additional alcoholic beverages licenses. Frederick County can handle any additional enforcement activity with existing resources.

Small Business Effect: Minimal overall, but potentially meaningful for a small business that is able to obtain multiple alcoholic beverages licenses under the bill.

Analysis

Current Law:

General Prohibition on Issuance of Multiple Licenses to a Single License Holder

Generally, and with specified exceptions, the number of alcoholic beverages licenses that may be issued to an individual license holder is limited to one. Chapter 225 of 2018 (1) authorized a single license holder to hold multiple Class B BWL licenses or equivalent

licenses issued by different local licensing boards for use by restaurants, hotels, or motels and (2) specified that the number of licenses a single license holder may hold is limited only by the cap imposed by each local licensing board on the licenses that the local licensing board issues.

Class B BWL Hotel or Motel License

The board may issue a Class B BWL hotel or motel license for use by a hotel or motel that has specified accommodations, a specified dining room and other facilities for preparing and serving meals, and a specified minimum capital investment. The license authorizes the licensee to sell beer, wine, and liquor by the individual drink and, subject to specified limitations, by the bottle on the licensed premises. The annual license fee is \$2,000.

Class B BWL Hotel or Restaurant License

The board may issue a Class B BWL hotel or restaurant license for use by a hotel or restaurant that has specified accommodations and meets specified facility and minimum property value requirements. The license generally authorizes the sale of beer, wine, and liquor for on-premises consumption where meals are prepared and served. The annual license fee is \$1,500 for a restaurant and \$2,000 for a hotel.

Class EC License

The board may issue a Class EC license to a person for use in conjunction with a Class 7 micro-brewery license issued by the Comptroller or a Class B BWL license issued by the board. The EC license generally authorizes the licensee to sell alcoholic beverages in an entertainment center for on-premises consumption, as specified. The annual license fee is \$1,500.

Hotel Lobby License

The board may issue a hotel lobby license for use by a hotel that does not have a restaurant. The license authorizes the licensee to sell beer and wine, by the bottle, from a store in the hotel lobby to patrons of the hotel for on-premises consumption. The license fee is \$100.

Background: According to the Comptroller's Office, in fiscal 2018, there were 148 Class B BWL licenses issued in Frederick County. Frederick County advises that there are 3 hotel lobby licenses and no Class EC licenses issued in the county.

Additional Information

Prior Introductions: None.

Cross File: SB 276 (Senators Young and Hough) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 13, 2019
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