

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 866

Economic Matters

(Allegany County Delegation)

Education, Health, and Environmental Affairs

Allegany County – Alcoholic Beverages – Licenses

This bill authorizes the Allegany County Board of License Commissioners to issue a Class D (on-sale) beer and wine (BW) arts and entertainment district license to a for-profit festival promoter for use at an entertainment event held in an arts and entertainment district in the county. The bill specifies privileges, requirements, restrictions, and penalties applicable to the license. The license fee is \$500 per day.

In addition, the bill authorizes the board to issue a Class L beer, wine, and liquor license to the holder of a manufacturer's license. The license authorizes the holder to sell or provide samples of beer, wine, and liquor produced by the holder or by another manufacturer's licensee for on-premises consumption during the hours of sale applicable to the underlying manufacturer's license. The annual license fee is \$250.

The bill takes effect July 1, 2019.

Fiscal Summary

State Effect: None.

Local Effect: Allegany County revenues increase minimally from license fees to the extent the board issues licenses under the bill. Allegany County can likely handle any enforcement activity with existing resources.

Small Business Effect: Minimal overall, but potential meaningful for a small business festival promoter or a small business manufacturer in Allegany County that obtains a license under the bill.

Analysis

Bill Summary:

Class D (on-sale) BW Arts and Entertainment District License

Privileges: The board may issue a Class D BW arts and entertainment district license to a for-profit festival promoter, including a promoter who holds another license of a different class or nature. A Class D BW arts and entertainment district license authorizes the licensee to exercise any of the privileges of the license at an entertainment event held in an arts and entertainment district in the county. A licensee may use the license for up to three consecutive days and may not obtain the license more than once per year.

During the event for which a license is issued, an individual may, within the approved event area, and with a designated container unique to the event, (1) purchase beer or wine from the licensee or any other license holder with on-sale privileges within the approved event area and (2) consume and/or transport the beer or wine within the approved event area.

Application Process: Specified provisions pertaining to applications for alcoholic beverages licenses and issuance and denial of alcoholic beverages licenses in Allegany County do not apply to the Class D BW arts and entertainment district license. The bill specifies that an applicant for the license must submit an application under oath on a form that the board provides.

Requirements, Restrictions, and Penalties: At an entertainment event for which the license is issued, a licensee must distribute a wristband to each individual over 21 years old and may not serve beer or wine to an individual who is not wearing a wristband. For a first offense, a violator is subject to a fine of \$250. For a second offense, a violator is subject to a maximum fine of \$1,000 and denial of further applications for the license.

Current Law: In Maryland, the Comptroller's Office issues alcoholic beverages manufacturer's and wholesaler's licenses, while the boards of license commissioners in each county, Baltimore City, and the City of Annapolis are responsible for issuing retail alcoholic beverages licenses. Local licensing boards issue a large variety of licenses and permits.

Local licensing boards may generally issue per diem licenses that authorize the sale and serving of alcoholic beverages for limited, specified periods. In Allegany County, the board currently issues a per diem license for use at an entertainment event held by a club, a per diem entertainment license for use at an entertainment event on county-owned

property, and up to one beer and wine festival license each year for use at a festival that promotes Maryland beer and wine, as specified.

Background: According to the Comptroller's Office, in fiscal 2018, there were 155 alcoholic beverages retail licenses issued in Allegany County.

Additional Information

Prior Introductions: None.

Cross File: SB 667 (Senator Edwards) - Education, Health, and Environmental Affairs.

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

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