

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 860
Economic Matters

(Montgomery County Delegation)

Education, Health, and Environmental Affairs

Montgomery County - Alcoholic Beverages - Town of Kensington
MC 15-20

This bill makes numerous changes to the manner in which alcoholic beverages licenses are regulated in the Town of Kensington in Montgomery County. Among other changes, the bill extends the authorized hours of operation of specified licenses, alters requirements for applicants of specified licenses, and increases the number of licenses authorized in the Town of Kensington. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: The bill is not expected to materially affect State operations or finances.

Local Effect: Montgomery County revenues increase minimally to the extent that the bill results in additional alcoholic beverages licenses issued. The county can monitor any additional licenses using existing budgeted resources.

Small Business Effect: Minimal overall, but potential meaningful for any small business that is able to obtain an alcoholic beverages license as a result of the bill.

Analysis

Bill Summary: The bill makes changes to authorization given to the Montgomery County Board of License Commissioners for alcoholic beverages licenses in the Town of Kensington and alters provisions governing specified licenses.

In the Town of Kensington, the bill repeals the prohibition on the board to issue no more than three beer and wine tasting licenses.

In the Town of Kensington, the board, unless otherwise provided, is authorized to issue, renew, approve the transfer of, and otherwise provide for:

- a two-day on-sale beer and wine license or a two-day on-sale beer, wine, and liquor license to a person holding an event between the hours of 10 a.m. to 10:30 p.m. for which the town has issued a permit on property owned or controlled by the town or on private commercially zoned property;
- beer and wine tasting licenses in accordance with § 25-1306 of the Alcoholic Beverages Article.
- a Class A-K beer and wine license that authorizes the holder to sell beer or wine for off-premises consumption;
- a Class B-K beer and wine license that authorizes the license holder to sell beer or wine at a hotel or restaurant, at the place described in the license, for on- and off-premises consumption;
- a Class B-K beer, wine, and liquor license that authorizes a license holder to sell beer, wine, and liquor at a hotel or restaurant, at the place described in the license for on- and off-premises consumption;
- a Class BD-BWL beer, wine, and liquor license in accordance with § 25-903 of the Alcoholic Beverages Article;
- a Class C beer and wine license that authorizes the license holder to sell beer and wine, at the place described in the license, to members of a private social club and guest of members for on-premises consumption;
- a Class D-K beer license that authorizes the license holder to sell beer, at the place described in the license for on- and off-premises consumption;
- a Class D-K beer and wine license that authorizes the license holder to sell beer and wine, at the place described in the license, for on- and off-premises consumption;
- a Class H beer and wine license that authorizes the license holder to sell beer and wine at a hotel or restaurant, at the place described in the license, for on-premises consumption;
- the consumption of wine not purchased from the license holder on a licensed premise in accordance with § 4-1102 of the Alcoholic Beverages Article;
- the removal of a partially consumed bottle of wine from licensed premises in accordance with § 4-1103 of the Alcoholic Beverages Article;
- a beauty salon in accordance with § 25-1002 of the Alcoholic Beverages Article;
- a continuing care retirement community license in accordance with § 25-1005 of the Alcoholic Beverages Article;

- a country club license in accordance with § 25-1007 of the Alcoholic Beverages Article;
- a fraternal/sororal/service organization license in accordance with § 25-1009 of the Alcoholic Beverages Article;
- a veterans' organization or club license in accordance with § 25-1014 of the Alcoholic Beverages Article;
- a refillable container permit for draft beer for a Class D-K license in accordance with § 25-1103 of the Alcoholic Beverages Article; and
- a refillable container permit for wine for a Class D-K license in accordance with § 25-1104 of the Alcoholic Beverages Article.

The bill authorizes the board to issue no more than eight Class A-K (off-sale) beer and wine licenses. By majority vote, the board may issue one additional Class A-K beer and wine license if there is a public hearing before the town council and a subsequent request made by the town council.

A holder of a Class A-K beer and wine license may sell beer and wine for off-premises consumption Monday through Sunday from 10 a.m. to 10 p.m.

The bill expands the types of licenses that may be issued a Class 9 limited distillery license in Montgomery County to include Class B-K beer, wine, and liquor licenses.

The board may issue no more than four Class 9 limited distillery licenses, in aggregate, to Class B-K beer, wine, and liquor license holders in the Town of Kensington.

The bill specifies the holder of a Class B-K beer and wine license; a Class B-K beer, wine, and liquor license; or a Class H beer and wine license must maintain average daily receipts from the sale of food, not including carryout food, of at least 40% of the overall average daily receipts.

The bill specifies the annual license fee for each class of license is equal to the fee required by the county for a comparable license.

The board may issue, in aggregate, not more than eight licenses from among the following types of licenses in the Town of Kensington:

- a Class B-K beer and wine license;
- a Class B-K beer, wine, and liquor license;
- a Class BD-BWL license;
- a Class C beer and wine license;
- a Class D-K beer license;

- a Class D-K beer and wine license; and
- a Class H beer and wine license.

The bill prohibits any license holder whose licensed premises is located in the Town of Kensington from placing a sign or any other display that advertises alcoholic beverages in a publicly visible location on a front, rear, side, door, or window of the building of the licensed premises.

The bill repeals limitations on the locations in which Class B-K beer and wine or Class B-K beer, wine, and liquor licenses are issued in the Town of Kensington.

Current Law: In the Town of Kensington, the board may issue a two-day on-sale beer, wine, and liquor license to specified organizations holding an event on municipal property located at 3710 Mitchell Street (Kensington Town Hall). Additionally, the board may issue a Class B-K beer and wine license or a Class B-K beer, wine, and liquor license for use on the site of a restaurant located within 13 designated commercial areas.

A Class B-K beer and wine license or a Class B-K beer, wine, and liquor license authorizes the holder to keep for sale and sell alcoholic beverages for on-premises consumption. A holder of either license is required to maintain average daily receipts from the sale of food, not including carryout, of at least 40% of the overall average daily receipts.

The board may issue, in aggregate, no more than four Class A-K (off-sale) beer and wine licenses, Class D-K beer licenses, and Class D-K beer and wine licenses in specified commercial areas in the Town of Kensington.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

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