

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1045 (Delegate Kerr)
Economic Matters

Frederick County - Alcoholic Beverages - Class L Beer, Wine, and Liquor License

This bill establishes a Class L beer, wine, and liquor license in Frederick County. The Frederick County Board of License Commissioners may issue a Class L beer, wine, and liquor license to the holder of a manufacturer's license. The Class L licensee can sell beer, wine, and liquor produced by the license holder or another holder of a manufacturer's license for on-premises consumption. The Class L licensee can provide a sample of beer, wine, or liquor for on-premises consumption at no cost. The hours of sale for the Class L beer, wine, and liquor license are the same as those for the underlying manufacturer's license. The annual license fee is \$250. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: None.

Local Effect: Frederick County revenues increase to the extent that the board issues Class L licenses under the bill. Frederick County can handle any enforcement activity with existing resources.

Small Business Effect: Minimal overall, but potentially meaningful for a small business manufacturer in Frederick County that obtains a license under the bill.

Analysis

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 and the cities of Baltimore and Annapolis are responsible for issuing retail

alcoholic beverages licenses. In general, each class of manufacturer's license designates the days of operations, time limits, and any other restrictions for the sale of alcoholic beverages under the license.

The following types of manufacturer's licenses are issued in the State: (1) Class 1 distillery license; (2) Class 2 rectifying license; (3) Class 3 winery license; (4) Class 4 limited winery license; (5) Class 5 brewery license; (6) Class 6 pub-brewery license; (7) Class 7 mirco-brewery license; (8) Class 8 farm brewery license; or (9) Class 9 limited distillery license.

Background: In fiscal 2019, 336 alcoholic beverages licenses were issued in Frederick County.

Local Fiscal Effect: Frederick County revenues increase by \$250 for each Class L beer, wine, and liquor license issued under the bill. Frederick County could not provide an estimate on how many holders of a manufacturer's license may apply for the Class L beer, wine, and liquor license under the bill.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 13, 2020
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