Department of Legislative Services

Maryland General Assembly 2024 Session

FISCAL AND POLICY NOTE Third Reader

House Bill 1205

(Allegany County Delegation)

Economic Matters Finance

Allegany County - Alcoholic Beverages - Class BWLT Beer, Wine, and Liquor Tasting Permit

This bill establishes a Class BWLT beer, wine, and liquor (on-premises) tasting permit in Allegany County and authorizes the Allegany County Board of License Commissioners to issue a permit to the holder of a beer, wine, and liquor (BWL) license. A permit authorizes the permit holder to allow the on-premises consumption, for tasting, of beer, wine, and liquor. When hosting a tasting event, a permit holder must notify the board at least seven days prior to holding the event. The annual fee for a Class BWLT permit is \$150; however, a first-time permit holder must also pay a one-time issuing fee of \$150. The board must adopt regulations to implement the bill. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: None.

Local Effect: Allegany County revenues increase, beginning in FY 2025, to the extent that Class BWLT permits are issued under the bill. Allegany County can monitor permits and adopt the required regulations with existing resources.

Small Business Effect: Minimal overall, but potential meaningful impact for small businesses that obtain Class BWLT permits.

Analysis

Current Law: The board is authorized to issue the following BWL licenses in Allegany County:

- Class A BWL (\$650 annual license fee) A license holder may sell beer, wine, and liquor at retail in a sealed package or container, for off-premises consumption;
- Class B BWL (\$800 annual license fee) A license may be issued to the owner of a hotel, if the hotel meets specified conditions, for on-premises consumption; a license may also be issued for use by a restaurant in a hotel or motel, if specified conditions are met;
- Class B-D BWL (\$700 annual license fee) A license may be issued to a restaurant that always serves food when alcoholic beverages are being served or consumed, has annual gross sales of food and nonalcoholic beverages that exceed its annual gross sales of alcoholic beverages, and meets other specified requirements;
- Class C BWL (\$500 annual license fee) A license holder may sell beer, wine, and liquor at retail at a club, for on- or off-premises consumption;
- Class D BWL (\$700 annual license fee) A license holder may sell beer, wine, and liquor at retail, for on- or off-premises consumption; and
- Class L BWL (\$250 annual license fee) A license may be issued to the holder of a manufacturer's license; the license holder may sell beer, wine, and liquor, for on-premises consumption, that is produced by the holder or another holder of a manufacturer's license and provide samples at no cost.

Local Revenues: Allegany County estimates that four to six BWL licensees will apply for the permit. The annual fee for a Class BWLT permit is \$150, and there is a one-time issuing fee of \$150. Accordingly, Allegany County revenues increase by *at least* \$1,200 in fiscal 2025 and *at least* \$600 annually thereafter.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 1133 (Senator McKay) - Rules.

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

Fiscal Note History: First Reader - February 14, 2024 js/tso Third Reader - March 18, 2024

Analysis by: Ralph W. Kettell Direct Inquiries to: (410) 946-5510

(301) 970-5510