

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 685
Economic Matters

(Delegate Hinebaugh)

Finance

Garrett County Alcoholic Beverages Act of 2025

This bill establishes (1) a Class BDR-DC (deluxe complex restaurant) beer and wine license; (2) a class BDR-DC (deluxe complex restaurant) beer, wine, and liquor license; (3) a Class BRC-resort complex beer and wine license; and (4) a Class BRC-resort complex beer, wine, and liquor license in Garrett County. The bill also (1) clarifies that applicants for specified alcoholic beverages licenses must submit an application on the form that the board provides; (2) clarifies public notice requirements the board must follow prior to holding a hearing on specified alcoholic beverages license applications; and (3) clarifies that a nonprofit organization, rather than a club, may qualify for specified Class C multiple day and multiple event licenses. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: None.

Local Effect: Garret County revenues increase, beginning in FY 2026, to the extent additional alcoholic beverages licenses are issued under the bill. Garret County can handle any additional enforcement within existing resources.

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law:

Class BDR-DC (Deluxe Complex Restaurant) Beer and Wine License – Established

The board may issue a Class BDR-DC (deluxe complex restaurant) beer and wine license to a holder of any Class B alcoholic beverages license issued by the board or an equivalent

license that the local licensing board of a different jurisdiction issues only for use by a restaurant. The board may issue the license for use by a deluxe complex restaurant, as defined in regulations of the board, that (1) has seating for at least 20 individuals and (2) has a minimum capital investment of \$25,000 for the restaurant facilities, not including the cost of land or buildings. If the applicant purchases or leases an existing building, the capital investment attributable to the cost of the land and improvements must be based on the assessed value of the land and improvements in accordance with the records of the State Department of Assessments and Taxation (SDAT) at the time of purchase.

The license authorizes the holder to sell, at retail, at the place described in the license (1) beer and wine for on-premises consumption and (2) beer for off-premises consumption. The board may issue the license with a catering option. A holder of a Class BDR-DC (deluxe complex restaurant) beer and wine license with a catering option may sell beer and wine for consumption at events that the license holder caters off the licensed premises. To exercise the catering option, the license holder must provide food at the catered event. The license holder may exercise the catering option only during the hours and days that the board allows.

The annual license fees are (1) \$500 for a six-day license without a catering option; (2) \$625 for a six-day license with a catering option; (3) \$585 for a seven-day license without a catering option; and (4) \$710 for a seven-day license with a catering option. The board must charge a one-time issuing fee for a new license in an equal amount to the annual license fee and adopt regulations.

Class BDR-DC (Deluxe Complex Restaurant) Beer, Wine, and Liquor License – Established

The board may issue a Class BRC-DC (deluxe complex restaurant) beer, wine, and liquor license to a holder of any Class B alcoholic beverages license issued by the board or an equivalent license that the local licensing board of a different jurisdiction issues only for use by a restaurant. The board may issue the license for use by a deluxe complex restaurant, as defined in the regulations of the board with (1) seating at tables, not including seats at bars or counters, for at least 20 individuals and (2) a capital investment of at least \$250,000 for the restaurant facilities, not including the cost of land or buildings. If an applicant purchases or leases an existing building, the capital investment attributable to the cost of the land and improvements must be based on the assessed value of the land and improvements in accordance with the records of SDAT at the time of purchase or lease.

The license authorizes the license holder to sell, at retail, at the place described in the license (1) beer, wine, and liquor for on-premises consumption and (2) beer for off-premises consumption. A license holder of a Class BDR-DC (deluxe complex restaurant) license may acquire a catering option that authorizes the license holder to sell

beer, wine, and liquor for consumption at events catered by the license holder in the county off the licensed premises. A license holder providing alcoholic beverages at a catered event off the licensed premises must also provide food. The license holder may exercise catering privileges only during the hours and days that are authorized under the Class B license, which are Monday through Saturday, from 6:00 a.m. to 2:00 a.m. the following day, and Sunday from 6:00 a.m. to midnight, as specified.

The annual license fees are (1) \$2,250 for a six-day license without a catering option; (2) \$2,750 for a six-day license with a catering option; (3) 2,625 for a seven-day license without a catering option; and (4) \$3,125 for a seven-day license with a catering option. The board must charge a one-time issuing fee for a new license in an amount equal to the annual license fee and adopt regulations.

Class BRC-Resort Complex Beer and Wine License – Established

The board may issue a Class BRC-resort beer and wine license to a license holder for a complex that has at least two facilities (1) located on the same contiguous property; (2) separated by at least 150 feet from the main area of the licensed premises; and (3) determined by the board to be a hotel, motel, recreational, or restaurant facilities. The license authorizes the license holder to sell at specified locations at retail at the place described in the license (1) beer and wine for on-premises consumption and (2) beer for off-premises consumption. The license holder may sell beer and wine during the hours and days set out for a Class B beer and wine license which are Monday through Saturday, from 6:00 a.m. to 2:00 a.m. the following day, and Sunday from 6:00 a.m. to midnight, as specified.

The annual license fees are (1) \$700 for a six-day license for two facilities; (2) \$350 for each additional facility for a six-day license; (3) \$820 for a seven-day license for two facilities; and (4) \$410 for each additional facility for a seven-day license. The board must charge a one-time issuing fee for a new license in an equal amount to the annual license fee and adopt regulations.

Class BRC-Resort Complex Beer, Wine, and Liquor License – Established

The board may issue a Class BRC-resort complex beer, wine, and liquor license to a license holder for a complex that has at least two facilities that are (1) located on the same contiguous property; (2) separated by at least 150 feet from the main area of the licensed premises; and (3) determined by the board to be a hotel, motel, recreational, or restaurant facilities. The license authorizes the license holder to sell at specified locations at retail at the place described in the license (1) beer, wine, and liquor for on-premises consumption and (2) beer for off-premises consumption. The license holder may sell beer, wine, and liquor during the hours and days as set out for a Class B beer, wine, and liquor license,

which are Monday through Saturday, from 6:00 a.m. to 2:00 a.m. the following day, and Sunday from 6:00 a.m. to midnight, as specified.

The annual license fees are (1) \$3,000 for a six-day license for two facilities; (2) \$1,500 for each additional facility for a six-day license; (3) \$3,500 for a seven-day license for two facilities; and (4) \$1,750 for each additional facility for a seven-day license. The board must charge a one-time issuing fee for a new license in an amount equal to the annual license fee and adopt regulations.

Applications for Specified Licenses – Hearings, Notice, and Regulations

Generally, as part of the application process for specified alcoholic beverages licenses for use at an event, the applicant must submit the application on a form that the board provides. The board must (1) hold a hearing on a license application; (2) publish notice of the license application hearing one time at least seven days before the hearing; (3) choose a fixed period of time for the event of up to three consecutive days, excluding Sunday; and (4) choose a location that is not already licensed. The board must also adopt regulations to carry out the requirements related to the specified alcoholic beverages license.

The bill generally conforms these requirements so they apply to (1) a beer festival license; (2) a Class C beer and wine street festival license; (3) a beer and wine festival license; (4) a beer, wine, and liquor festival license; and (5) a wine festival license, as specified under the bill.

Class C Multiple Day Alcoholic Beverages License

Generally, the board may issue a Class C multiple day license to a club, and the board may issue a multiple event license to a club that qualifies for a Class C multiple day license.

The bill establishes that the specified licenses may be issued to a *nonprofit organization*, rather than a club.

Local Fiscal Effect: Garrett County revenues increase, beginning in fiscal 2026, to the extent the board issues Class BDR-DC (deluxe complex restaurant) and Class BRC-resort complex licenses. As the number of individuals that will obtain a license under the bill is unknown, any potential increase in Garrett County license fee revenues under the bill cannot be reliably estimated. Garrett County can handle the bill's requirements and any administrative changes with existing resources.

Additional Information

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

Designated Cross File: SB 826 (Senator McKay) - Finance.

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

Fiscal Note History: First Reader - February 14, 2025
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