

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 145 (Montgomery County Delegation)
Economic Matters

Montgomery County - Kensington - Alcoholic Beverages Licenses
MC 12-18

This bill makes numerous changes to the manner in which alcoholic beverages licenses are regulated in the Town of Kensington in Montgomery County. The changes relate to the local caterer's license, average daily receipts from food sales, the number of licenses that may be issued for use in commercial areas, and privileges and hours of operation for certain licenses. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: The bill does not directly affect State operations or finances.

Local Effect: Montgomery County revenues increase minimally to the extent that the bill results in additional alcoholic beverages licenses being 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's changes.

Analysis

Bill Summary: The Montgomery County Board of License Commissioners is authorized to issue a local caterer's license to a person that has a Class B beer and wine license or a Class B beer, wine, and liquor license in Kensington.

The average daily receipts from food sales requirement for licensees in Kensington is decreased so that food sales (excluding carryout) must account for at least 40% of average daily sales when combined with alcohol sales, instead of 50%.

The number and type of licenses that may be issued for use in certain commercial areas in Kensington are changed so that a total of four licenses may be issued, instead of three. The licenses may be Class A (off-sale) beer and wine licenses, Class D beer licenses, and Class D beer and wine licenses. The holder of these licenses are authorized to sell single bottles or cans of beer, and sell refrigerated products; however, they are still not allowed to advertise alcoholic beverages in a publicly visible location.

The holder of a Class B-K beer and wine license that is located in certain commercial areas in Kensington may sell beer and wine for an additional hour each day (until 12 a.m. instead of 11 p.m).

Current Law/Background: No alcoholic beverages licenses may be issued in the Town of Kensington unless authorized by law. In Kensington, the Montgomery County Board of License Commissioners may issue no more than three Class A (off-sale) beer and wine licenses for use in specified commercial areas. The licensee may not sell single bottles or cans of beer, sell refrigerated products, or advertise alcoholic beverages in a publicly visible location. The board may also issue a special B-K beer and wine or B-K beer, wine, and liquor license to restaurants in commercial areas. The B-K beer and wine licensee may not sell beer or wine after 11 p.m. if the establishment is in certain commercial areas.

For each licensee in Kensington, the sale of food must, on average, account for at least 50% of overall average daily sales when combined with alcohol sales.

The board is not expressly authorized to issue a local caterer's license in Kensington. The annual license fee for the caterer's license is \$1,250.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 26, 2018
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