

MONTGOMERY COUNTY ALCOHOL BEVERAGE SERVICES

Applying For a New or Transfer Annual Alcohol Beverage License in Montgomery County, MD

Division of Licensure, Regulation and Education (LRE)

201 Edison Park Dr. | Gaithersburg, MD 20878

240-777-1999 | Fax: 240-777-1991

www.montgomerycountymd.gov/abs





Table of Contents

- 03. Types Of Annual Licenses
- 04. Most Common Types of Licenses 1
- 05. Most Common Types of Licenses 2
- 06. Applicant Qualifications
- 07. Electronic Fingerprinting
- 08. Required Documents 1
- 09. Required Documents 2
- 10. Application Fees
- 11. Next Steps
- 12. Hearing Preparation 1
- 13. Hearing Preparation 2
- 14. Hearing Procedures
- 15. After License Is Approved
- 16. Future Actions
- 17. Useful Links



Types of Annual Licenses

New License Application is for:

- A facility that has never had an alcohol license, or
- A previously-licensed facility with an alcohol license that has lapsed or expired, or
- A currently-licensed facility where the current licensee is not willing to transfer the alcohol license. The current licensee must surrender the license before a new application will be accepted. No alcoholic beverages may be sold or served on the premises until a new license is approved, obtained and posted in the facility.

Transfer License Application is for:

- A currently-licensed facility in good standing (taxes up-to-date, no pending violations or fines owed to ABS account up-to-date). Contact the Maryland Comptroller's Office at (410) 767-1630 to determine if there are any delinquent sales, withholding or amusement taxes owed by the current licensee. You must have the CR number that the taxes are filed under to obtain this information. All such taxes must be paid prior to the transfer of any license.
- The current owner/licensee must be willing to transfer the alcohol license.
- Alcoholic beverages may be sold during the application process.

Special Requirements

- No license to sell alcoholic beverages can be authorized within the town of Washington Grove. Applications may be filed for facilities within the Town of Kensington but certain restrictions may apply. Restrictions also apply in the 12th election district in Damascus.



Most Common Alcohol Beverage Licenses

Class	Type	Annual Fee
Class A	<ul style="list-style-type: none"> • Wine only, or Beer & Wine. • Usually issued to stores. • No on-premises consumption, off sale only. Hours of sale 6 a.m. - 1 a.m. seven days a week. No bathroom or seating required. 	<p>\$100 (wine only)</p> <p>\$250 (beer & wine)</p>
Class B (B/W)	<ul style="list-style-type: none"> • Beer & Wine. • Issued to hotels and restaurants. • On and off-sale privileges. • Hours of sale: Off-sale 6 a.m. – 1 a.m. seven days a week. On-sale 9 a.m. – 2 a.m. seven days a week. • Bathrooms required for both sexes. • Minimum seating: 30 seats. 	\$400
Class B (B/W/L)	<ul style="list-style-type: none"> • Issued to hotels and restaurants. • No off-premises consumption, on sale only. Hours of sale: 9 a.m. - 2 a.m. Sun - Thurs, 9 a.m. - 3 a.m. Fri & Sat. • Bathrooms required for both sexes. • Minimum seating: 30 seats. • Minimum ratio of food sales to alcohol sales must be 40% food or higher. 	\$2,500

For a complete list of all license classes, visit:

<https://www.montgomerycountymd.gov/ABS/resources/files/licensure/abs-license-descriptions.pdf>



Most Common Alcohol Beverage Licenses

Class	Type	Annual Fee
Class D (B/W/L)	<ul style="list-style-type: none"> • Beer, Wine & Liquor • On sale only. • Food/alcohol ratios apply until 9 p.m. daily. Hours of Sale: 9 a.m. - 2 a.m. Sun - Thurs, 9 a.m. - 3 a.m. Fri and Sat. • Bathrooms required for both sexes. • No minimum seating requirement. 	\$3,000
Class D (B/W)	<ul style="list-style-type: none"> • Issued to taverns, specialty shops, and packaged goods stores. • Both on and off-premises consumption. Hours of sale for on-premises: 9 a.m. - 2 a.m. seven days a week. Hours of sale for off-premises: 6 a.m. - 1 a.m. seven days a week. • Bathrooms required for both sexes. • No minimum seating requirement. 	\$400
Class H (B/W)	<ul style="list-style-type: none"> • Issued to hotels and restaurants. • No off-premises consumption, on sale only. Hours of sale: 9 a.m. - 2 a.m. Mon - Sat, seven days a week. • Bathrooms required for both sexes. • Minimum seating: 30 seats 	\$400

For a complete list of all license classes, visit:

<https://www.montgomerycountymd.gov/ABS/resources/files/licensure/abs-license-descriptions.pdf>



Applicant Qualifications

Basic Qualifications

Applicants for the license must:

- Be legal residents of the United States and provide a copy of current identification with address, such as a driver's license. Foreign-born applicants must provide proof of legal status, such as a copy of a permanent resident card, naturalization certificate, or US passport.
- At least one applicant must be a US Citizen.
- Not have been convicted of any felony crime.
- At least one applicant must be a resident of the State of Maryland at the time of application and must remain a resident for the duration of the license.

Further Qualifications

- Individual: An applicant not operating the business under a corporation, limited liability company, or partnership may apply as an individual.
- Partnership: The license must be applied for by at least two general partners. If there is only one general partner, the license shall be applied for by that partner.
- Corporation: All applicants must be officers of the corporation; if there are more than three officers, select just three.
- Limited Liability Company (LLC): All applicants must be authorized persons of the LLC; if there are more than three authorized LLC members, select just three.

When indicating ownership of a corporation, an LLC, or a partnership on the application, the names of the actual people who are owners must be provided, not just the corporate entities. This may require a listing and/or flow chart to be attached to the application. If there are more than 10 such owners OR a corporate entity is publicly-traded, contact the LRE office as to how to complete this portion of the application.



Electronic Fingerprinting



All applicants and the general manager must be fingerprinted
<https://www.montgomerycountymd.gov/ABS/fingerprint/>



Required Documents

- Completed application is required. All information given by all parties must be truthful and all questions on the application must be answered.
- All foreign-born applicants must provide a copy of proof of legal status, such as a permanent resident card, naturalization certificate, or US passport.
- Copy of current driver's license for each applicant and manager will be collected at time of fingerprinting.
- Corporation and LLC applicants must submit a copy of the Articles of Organization. This can be obtained from the State Dept. of Assessments & Taxation in Baltimore: 1-888-246-5941. A recent Certificate of Good Standing is also required. The Certificate of Good Standing may be obtained online.
- Corporation applicants must submit a copy of corporate minutes showing the election of the officers.
- LLC applicants must submit the Operating Agreement and organizational resolution minutes showing that each applicant is an authorized person entitled to act on behalf of the LLC.
- Franchise applicants must provide a copy of the franchise agreement; this agreement must show that no profits from the sale of alcoholic beverages are included in the franchise fees.
- A tax affidavit (only one applicant signature is required).
- A ratio affidavit signed by one applicant is only required of Class B, Beer, Wine & Liquor License, Class B-K (Kensington) Beer, Wine & Liquor, Class B-K (Kensington) Beer, Wine & Liquor License, Class BD, Beer, Wine & Liquor License or Class D, Beer, Wine & Liquor License.



Required Documents

- Fingerprints for all applicants and manager (see page 6).
- \$600 non-refundable application fee.

Transfer Applicants

- A copy of the contract
- Settlement transfer affidavit. *Note: A transfer application must be submitted to the LRE Office within 30 days of the settlement date or the license will expire.
- The transfer authorization form with signatures of all existing licensees.
- If the buyer wishes to purchase alcohol under their own bank account, two ACH authorization forms are needed: one from the seller terminating their account and one from the buyer setting up their account.
- The buyer must use the seller's account number until the new license is issued.



Application Fees

- Application fee for all classes of alcohol license (non-refundable), paid at the time of application: \$600
- \$120 fingerprint processing fee for each applicant and manager.
- The LRE Office accepts payments by major credit card, or check payable to Montgomery County, MD





Next Steps

- Submit the completed application with all required documents to the LRE Office for review. If filing for a transfer, the application must be submitted to the LRE Office within 30 days from the date new ownership took over. Otherwise, the license will expire.
- Upon completion of the reviewing process, a hearing date and time will be assigned. A poster announcing the hearing date will be provided by office staff for posting at the facility thirty (30) days prior to the hearing. Written notice of the hearing will be sent to the applicant's home address.
- If an interpreter is needed at the hearing, the LRE staff should be given at least two weeks notice to arrange for one.
- Post the poster at the facility visible to the public. It must be unobstructed and clearly visible to the public for at least 30 days prior to the hearing date.
- An alcohol enforcement inspector will visit the facility and prepare a report to the Board prior to the hearing.
- Fingerprints will be processed by the State of Maryland and the FBI. Notice of the hearing and the hearing application will be published on the Alcohol Beverage Services website two weeks prior to the hearing scheduled date.



Hearing Preparation

- Read the Board's Rules and Regulations, available at the LRE Office or online
- Plan to become Alcohol-Awareness certified. Arrangements should be made to obtain Alcohol Awareness Certification by taking a class given by a State-approved private trainer. Typically a four-hour class, this leads to a certificate that is good for four years. A list of approved courses is available on the ABS website at www.montgomerycountymd.gov/ABS/education/training under State Certified Trainings.
- Attend an Alcohol Law Education Regulatory Training (ALERT) class (not mandatory, but highly recommended). This free class is given by Alcohol Beverage Services at 201 Edison Park Drive, Gaithersburg, MD 20878, usually on the 2nd & 4th Monday of each month, from 10 a.m. to 1 p.m. The ALERT Class will prepare licensees for the qualifying questions at the hearing.
- Communicate with co-applicants as all applicants must be present at the hearing.



Hearing Preparation

What to Bring to the Hearing

- A printed menu (8-1/2 x 14 inch size or smaller preferred).
- A current floor plan of the facility (8 ½ x 14 inch or smaller). The floor plan needs to show tables and seats, the kitchen, restrooms, alcohol placement, any storage spaces and points of entry/exits. If you want to serve alcohol outside in an area immediately adjacent to the facility, be sure the floor plan shows the outdoor café area.
- Manager or person in charge of day-to-day operations must be present at time of the hearing.



Hearing Procedures

The Board of License Commissioners

Commonly known as the "Liquor Board," the Board is a legally designated group with the authority to issue, revoke, renew or transfer alcohol licenses. The Board is comprised of five residents of Montgomery County who are appointed by the County Executive and confirmed by the County Council. The Board Members typically serve up to two terms of four years. The Board holds hearings two full days each month to approve or deny new and transfer applications, and to deliberate on protests, if any, on renewal applications. The Board also holds show-cause hearings on alcohol license violations; and has the authority to suspend, revoke, or issue fines up to \$20,000.

Hearing Procedures

The five Board members will ask questions regarding the applicants' experience and plans for the facility. One individual will take the identification test -- this should be the person in charge of the day-to-day operations of the facility. This person does not have to be an applicant; an employed manager may be most appropriate. The Board will publicly vote on the granting of the license. In special circumstances, the Board may continue the hearing to another date and time; this will be communicated at the hearing. Typically, new and transfer license hearings last approximately 30 minutes. When a license is approved, the applicants are given an information sheet with the next steps at the conclusion of the hearing.

Following the Hearing

Applicants will receive written notice of their approval of the license, usually within one or two weeks of the hearing.



After License Is Approved

After Receiving Notice That Your License Is Approved

Applicants should call the LRE Office at 240-777-1999 to schedule a final compliance inspection once the following documents are obtained:

- Use & Occupancy Certificate
 - Montgomery County Department of Permitting Services: 240-777-6300.
 - City of Rockville: 240-314-5000.
 - City of Gaithersburg: 301-258-6300.
- Food Service Facility License
 - Montgomery County Health Department: 240-777-3986.
- State Sales & Use Tax License
 - Maryland Comptroller's Office, 800-492-1751.
- Alcohol-Awareness Certificate

Delivery of Your License

- The license may be picked up at the LRE Office or emailed. Present the license fee payment (credit card or check), and any other documentation that was required by the Board at the hearing, or requested by the LRE inspector at the time of the final compliance inspection.
- Prior to picking up your license in person, call the licensing office: 240-777-1999.



Future Actions

License Modifications

- All licenses must be renewed every year between February 1 and March 31. There is a \$100 application fee (\$120 application fee for mail or email applications). Licenses must be paid, downloaded/picked up and posted by May 1 each year. The annual license fee varies by class.
- Report any license changes to the LRE Office at 240-777-1999 or ABSLicensing@MontgomeryCountyMD.gov

License Class Change

Downgrading a License

Downgrading (converting a beer, wine & liquor license to a beer & wine license) requires notification to the Board via a signed letter stating intentions and must include signatures of all licensees. The current license should be turned into the LRE Office at a time when the facility is closed and the new license can be issued; a \$20 fee is applied for this change on the license. If this change is made at renewal, there is no additional charge for the change. Note: no refunds on annual licenses will be issued.

Upgrading/Reclassifying License

Upgrading or reclassifying a license means adding an additional type of alcohol sale to a license. (Examples include adding liquor to a beer & wine license or adding off-sale to an on-sale only license.) This requires a new application submission and a new hearing before the Board.



Useful Links

- ACH Authorization Form: https://myabs.formstack.com/forms/ach_authorization_form
- Alcohol-to-Food Ratio Affidavit: <https://www.montgomerycountymd.gov/ABS/Resources/Files/licensure/abs-ratio-affidavit.pdf>
- Certificate of Good Standing: <https://www.dat.maryland.gov/business/Pages/Internet-Certificate-of-Status.aspx>
- Corporation Minutes Template: <https://www.montgomerycountymd.gov/ABS/Resources/Files/licensure/abs-corporation-minutes-template.pdf>
- Fingerprint Information: <https://www.montgomerycountymd.gov/ABS/fingerprint/>
- List of Classes of Licenses: <https://www.montgomerycountymd.gov/ABS/resources/files/licensure/abs-license-descriptions.pdf>
- LLC Minutes Template: <https://www.montgomerycountymd.gov/ABS/Resources/Files/licensure/abs-llc-minutes-template.pdf>
- Outdoor Cafe: <https://www.montgomerycountymd.gov/ABS/resources/files/licensure/abs-outdoor-cafe.pdf>
- Removal/Substitute License: <https://www.montgomerycountymd.gov/ABS/Resources/Files/licensure/abs-remove-substitute-licensee.pdf>
- Rules and Regulations of the Board of License Commissioners:
 - <https://www.montgomerycountymd.gov/ABS/resources/files/regulation/montgomery-county-rules-regulations.pdf>
- Tax Affidavit: <https://www.montgomerycountymd.gov/ABS/resources/files/licensure/abs-tax-affidavit.pdf>
- Transfer Affidavit: <https://www.montgomerycountymd.gov/ABS/resources/files/licensure/abs-transfer-affidavit.pdf>
- Transfer Authorization Form: <https://www.montgomerycountymd.gov/ABS/Resources/Files/licensure/abs-transfer-form.pdf>



Alcohol Beverage Services

Division of Licensure, Regulation and Education (LRE)

201 Edison Park Dr. | Gaithersburg, MD 20878

240-777-1999 | Fax: 240-777-1991

ABSLicensing@MontgomeryCountyMD.gov

www.montgomerycountymd.gov/abs

