



Committee: Joint ECON/PS
Committee Review: At a future date
Staff: Jim Ogorzalek, Legislative Attorney
Purpose: To receive testimony – no vote expected

AGENDA ITEM #8
June 10, 2025
Public Hearing

SUBJECT

Bill 13-25, Licensing and Regulations Generally – Picnics, Dances, Soirees, and Other Entertainment – Amendments

Lead Sponsors: Councilmembers Luedtke and Friedson

Co-Sponsors: Councilmembers Albornoz and Balcombe, Council President Stewart, and Councilmembers Glass and Katz

EXPECTED ATTENDEES

Members of the public

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

Receive public testimony

DESCRIPTION/ISSUE

Bill 13-25 would:

- (1) prohibit an unlicensed party for gain or profit to which the general public is admitted with certain exceptions;
- (2) establish the penalty for violation of the prohibition against an unlicensed party for gain or profit at a residential property to which the general public is admitted and related violations in the same occurrence; and
- (3) generally amend the law governing licensing and regulations.

SUMMARY OF KEY DISCUSSION POINTS

N/A

This report contains:

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Racial Equity and Social Justice Impact Statement	© 6
Fiscal Impact Statement	© 9
Climate Assessment	© 10
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MEMORANDUM

June 5, 2025

TO: County Council

FROM: Jim Ogorzalek, Legislative Attorney

SUBJECT: Bill 13-25, Licensing and Regulations Generally – Picnics, Dances, Soirees, and Other Entertainment – Amendments

PURPOSE: To receive testimony – no Council vote expected

Bill 13-25, Licensing and Regulations Generally – Picnics, Dances, Soirees, and Other Entertainment – Amendments, was introduced on May 6, 2025. The Lead Sponsors are Councilmembers Luedtke and Friedson. The bill's co-sponsors are Councilmembers Alborno and Balcombe, Council President Stewart, and Councilmembers Glass and Katz. A public hearing on the bill will occur on June 10, 2025, at 1:30 p.m. A worksession of the Joint Economic Development and Public Safety (ECON/PS) Committee will be scheduled at a future date.

Bill 13-25 would:

- (1) prohibit an unlicensed party for gain or profit to which the general public is admitted with certain exceptions;
- (2) establish the penalty for violation of the prohibition against an unlicensed party for gain or profit at a residential property to which the general public is admitted and related violations in the same occurrence; and
- (3) generally amend the law governing licensing and regulations.

Background

Currently, the County Code prohibits any person from holding an unlicensed or unpermitted "picnic, dance, soiree or other entertainment for gain or profit to which the general public is admitted." Montgomery County Code § 30-1. The penalty for violation of this prohibition is \$25.00, which was established by legislation predating the fines and penalties applicable to most violations of County law.

The purpose of this bill is to add commercial parties to the violations listed in § 30-1, clarify that a violation of § 30-1 is a Class A violation, and establish increased penalties when the violation occurs at a residential property. The bill also enumerates certain other code violations frequently

occurring in the same activity as violations of § 30-1 and establishes increased penalties for those violations when they occur in the same activity as violations of § 30-1.

Bill Specifics

Bill 13-25 would clarify by express enumeration that a party is contemplated in the list of prohibited activities—when unpermitted or unlicensed—in § 30-1 of the County Code. The bill would also exclude from the prohibition for-profit activities benefitting certain categories of entities under the Internal Revenue Code. The bill would establish that violation of § 30-1 constitutes a Class A violation under § 1-19 of the County Code, while also setting an increased maximum civil violation penalty for a violation of § 30-1 occurring at a residential property. The bill would also establish increased maximum civil violation penalties for violations of the following code sections when the violation occurs simultaneously with a violation of § 30-1: § 31B-5 (Noise level and noise disturbance violations); § 59.3.1.6 (Commercial activity (pool rental, alcohol service, entertainment venue) unpermitted in the zone); or § 59.3.5.10 (Failure to obtain necessary conditional use approval to operate outdoor recreation entertainment facility or Operation of a prohibited indoor recreation and entertainment facility).

SUMMARY OF IMPACT STATEMENTS

Racial equity and social justice. “The Office of Legislative Oversight (OLO) finds the anticipated racial equity and social justice (RESJ) impact of Bill 13-25 is indeterminate. There is not enough information to determine the racial and ethnic demographics of community members who will be most impacted by this Bill.”

Fiscal impact. According to the Office of Management and Budget, “there is estimated to be no fiscal impact”

Climate assessment. “The Office of Legislative Oversight (OLO) anticipates Bill 13-25 will have no impact as it is proposing changes to a law that does not have an impact on the County’s contribution to addressing climate change.”

Economic impact. “The Office of Legislative Oversight (OLO) anticipates that Bill 13-25 would have an indeterminate impact on economic conditions in the County. . . The Bill proposes to increase fines for unlicensed for-profit parties—already prohibited under County law—from \$25 to a maximum of \$5,000. . . Due to the lack of data on the prevalence of unlicensed parties and enforcement activity, OLO cannot determine the net economic impact of the Bill.

OLO notes, however, that if the significant increase in penalties deters unlicensed for-profit parties, certain entertainment establishments may see additional patronage, as individuals who would have attended those events may instead frequent licensed venues in the County.”

This packet contains:

Bill 13-25
Lead Sponsor's Letter to Colleagues
Racial Equity and Social Justice Impact Statement
Fiscal Impact Statement
Climate Assessment
Economic Impact Statement

Circle #

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Bill No. 13-25
Concerning: Licensing and Regulations
Generally – Picnics, Dances, Soirees,
and Other Entertainment –
Amendments
Revised: 6/5/2025 Draft No. 2
Introduced: May 6, 2025
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Councilmembers Luedtke and Friedson
Co-sponsors: Councilmembers Alborno and Balcombe, Council President Stewart, and
Councilmembers Glass and Katz

AN ACT to:

- (1) prohibit an unlicensed party for gain or profit to which the general public is admitted with certain exceptions;
- (2) establish the penalty for violation of the prohibition against an unlicensed party for gain or profit at a residential property to which the general public is admitted and related violations in the same occurrence; and
- (3) generally amend the law governing licensing and regulations.

By amending

Montgomery County Code
Chapter 30, Licensing and Regulations Generally
Sections 30-1 and 30-3

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Sections 30-1 and 30-3 are amended as follows:

30-1. Picnics, dances, soirees, parties, and other entertainment-License required.

(a) It shall be unlawful for any person to hold in the county any picnic, dance, soiree, party, or other entertainment for gain or profit to which the general public is admitted, without having first obtained a permit or license from the [county] Department of Permitting Services.

(b) This Section does not apply to any picnic, dance, soiree, party, or other entertainment when the entire gain or profit directly benefits an organization registered under a following section of the Internal Revenue Code: § 501(c)(3), § 501(c)(4), § 501(c)(5), § 501(c)(6), § 501(c)(7); § 501(c)(8); § 501(c)(10); § 501(c)(19); § 501(k); or § 527.

* * *

30-3. [Same--]Penalty for violations of section 30-1 [or section 30-2].

[Any person who shall violate any of the provisions of the two (2) preceding sections shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than twenty-five dollars (\$25.00) for each offense.]

(a) Any violation of Section 30-1 or any regulation issued under it is a class A violation.

(b) Notwithstanding Section 1-19, for any violation of Section 30-1 occurring at a residential property, the civil penalty must be in an amount not to exceed \$5,000.

(c) Notwithstanding Section 1-19, for any violation of a following section occurring during the same occurrence as a violation of Section 30-1, the civil penalty for each violation must be in an amount not to exceed \$5,000:

(1) Section 31B-5;

(2) Section 59.3.1.6; or

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(3) Section 59.3.5.10.



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

DAWN LUEDTKE
COUNCILMEMBER
DISTRICT 7

ANDREW FRIEDSON
COUNCILMEMBER
DISTRICT 1

MEMORANDUM

April 30, 2025

TO: Councilmembers

FROM: Councilmember Dawn Luedtke
Councilmember Andrew Friedson

SUBJECT: Bill 13-25, Unlicensed Commercial House Parties

Dear Colleagues,

On May 6, we will introduce *Bill 13-25, Licensing and Regulations Generally - Picnics, dances, soirees and other entertainment - Amendments*. This legislation aims to curb the growing issue of dangerous and disruptive for-profit house parties in neighborhoods, events that are already illegal according to County zoning but that have proven difficult for County Government to effectively address.

These unlicensed commercial parties create unsafe situations in communities in our Districts and throughout the County, where residents are concerned about noise, intoxicated partygoers, the parking of dozens of vehicles on small neighborhood streets, and illegal fireworks use. These for-profit events are typically advertised to the general public through online sources and social media. Last summer, at least two examples of these unlicensed commercial house parties garnered widespread concern from constituents and significant media attention.¹² Through extensive conversations with the Office of the County Attorney (OCA), Department of Permitting Services (DPS), Montgomery County Police Department (MCPD),

¹

<https://bethesdamagazine.com/2024/05/31/raucous-wet-dreams-pool-party-at-potomac-mansion-raises-concerns-about-future-fetes/>

²

<https://www.nbcwashington.com/news/local/gaithersburg-residents-express-safety-concerns-after-massive-parties/3649872/>

County Executive's Office and other Executive Branch partners, we learned that our County needs more effective tools to fight this already illegal activity.

Bill 13-25 increases the potential fines from a maximum of \$500 to a maximum of \$5,000 related to four existing violations for this type of activity at a residential property: unpermitted commercial parties; noise violations; unpermitted commercial use in a residential zone; and violations of the zoning for Recreation and Entertainment use. The bill authorizes these increased fines for these violations only when the violation is a result of this type of unpermitted commercial house party activity.

Bill 13-25 underscores our County's commitment to safe and healthy neighborhoods and demonstrates to residents that we are committed to bringing them relief. Thank you for your attention and please do not hesitate to reach out if you have any questions or would like to support as a co-sponsor.

Cc: Jim Ogorzalek, Legislative Attorney

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 13-25: LICENSING AND REGULATIONS GENERALLY – PICNICS, DANCES, SOIREES, AND OTHER ENTERTAINMENT – AMENDMENTS

SUMMARY

The Office of Legislative Oversight (OLO) finds the anticipated racial equity and social justice (RESJ) impact of Bill 13-25 is indeterminate. There is not enough information to determine the racial and ethnic demographics of community members who will be most impacted by this Bill.

PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is important to achieve RESJ.¹ This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.²

PURPOSE OF BILL 13-25

Under current County Code, any unlicensed or unpermitted “picnic, dance, soiree, or other entertainment for gain or profit to which the general public is admitted” is prohibited. Those who violate this prohibition can be fined \$25 for each offense.³

Bill 13-25 seeks to increase the fines for unlicensed or unpermitted commercial parties by amending Section 30-1 of the County Code. According to the sponsoring Councilmembers, the Bill aims to curb for-profit house parties in neighborhoods as these are “events that are already illegal according to County zoning but that have proven difficult for County Government to effectively address.”⁴ If enacted, Bill 13-25 would:⁵

- Establish unlicensed or unpermitted commercial picnics, dances, soirees, parties, and other entertainment as a Class A violation;
- Increase the maximum civil violation penalty to \$5,000 when the violation is related to an unlicensed or unpermitted commercial activity occurring at a home;
- Increase the maximum civil violation penalty to \$5,000 for certain code violations associated with an unlicensed or unpermitted commercial activity; and
- Exclude for-profit activities benefitting organizations registered under certain sections of the Internal Revenue Code from the prohibition.

The County Council introduced Bill 13-25, Licensing and Regulations Generally – Picnics, Dances, Soirees, and other Entertainment – Amendments, on May 6, 2025.

OLO builds on the following RESJISs for this analysis:

RESJ Impact Statement

Bill 13-25

- Bill 14-23, Police – Late Night Business Safety Plan, published in March 2023.⁶ Please refer to this RESJIS for background on nightlife, policing, and racial equity.
- Bill 14-24, Vehicle Noise Abatement Monitoring – Pilot Program, published in August 2024.⁷ Please refer to this RESJIS for background on civil fines and racial equity.

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 13-25 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

OLO identified the following groups who would be impacted by Bill 13-25:

- **Community members who live near unlicensed or unpermitted commercial activities** would benefit from a decrease in nuisances related to these activities if Bill 13-25 works as intended. To approximate the race and ethnicity of these beneficiaries, OLO contacted the Montgomery County Police Department (MCPD) for data on existing violations of Section 30-1. MCPD reported these citations are currently issued as paper tickets and are not tracked electronically. Thus, there was not enough information for OLO to approximate the demographics of these community members.
- **Organizers of unlicensed or unpermitted commercial activities** will be burdened by increased fines for holding these activities or by revenue losses from ceasing the activities if Bill 13-25 works as intended. Given data limitations with MCPD, OLO could not approximate the demographics of event organizers. However, if Black, Indigenous, and other People of Color (BIPOC) are overrepresented among organizers cited for unlicensed or unpermitted commercial activities, this would widen existing racial disparities in civil fines and civic debt.⁸
- **Attendees of unlicensed or unpermitted commercial activities** will be burdened by less entertainment options if Bill 13-25 works as intended. There is not enough information for OLO to approximate the demographics of these community members.

Taken together, OLO finds the anticipated RESJ impact of Bill 13-25 is indeterminate.

RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.⁹ OLO finds the anticipated RESJ impact of Bill 13-25 is indeterminate. As such, OLO does not offer recommended amendments. However, should the Council seek to improve the RESJ impact of this Bill, OLO offers two policy options for Council consideration:

- **Require data collection and reporting for violations of Section 30-1 by race, ethnicity, and location.** The Council could amend Bill 13-25 to require agencies that are issuing the violation to collect data on the location where the violation is issued and the race and ethnicity of community members receiving the violation. The Council could require the data to be reported annually to monitor if there are racial and ethnic disproportionalities among community members impacted by Bill 13-25 and to consider actions to mitigate any negative RESJ impacts that are identified.

RESJ Impact Statement

Bill 13-25

- **Update reporting on citations in dataMontgomery.** Currently, MCPD reports data on criminal citations in dataMontgomery via the Police Criminal Citations dataset.¹⁰ For each citation issued, this dataset includes the race and ethnicity of the community member who received the citation and the district of occurrence, among other information. This dataset does not reflect all citations issued by MCPD since it excludes citations issued as paper tickets.

To understand racial disparities in different criminal citations, the Council could require MCPD to report on the following data points not currently included in the Police Criminal Citations dataset:

- Citation reason (i.e., specific section of the code the citation is being issued for); and
- Location where citation was issued.

Further, the Council could require MCPD to include citations issued as paper tickets in the dataset. The Council could also require a similar dataset on dataMontgomery for civil citations, which are not currently reported.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

¹ Definition of racial equity and social justice adopted from Marlysa Gamblin et al., "[Applying Racial Equity to U.S. Federal Nutrition Programs](#)," Bread for the World and [Racial Equity Tools](#).

² Ibid.

³ [Montgomery County Code § 30-1](#)

⁴ Memorandum from Councilmembers Luedtke and Friedson to Councilmembers: "Bill 13-25, Unlicensed Commercial House Parties," [Introduction Staff Report for Bill 13-25](#), Montgomery County Council, Introduced May 6, 2025.

⁵ Memorandum for Legislative Attorney to County Council, Introduction Staff Report for Bill 13-25.

⁶ [RESJIS for Bill 14-23](#), Office of Legislative Oversight, March 17, 2023.

⁷ [RESJIS for Bill 14-24](#), Office of Legislative Oversight, August 27, 2024.

⁸ Ibid.

⁹ Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council

¹⁰ [Police Criminal Citations](#), dataMontgomery.



Fiscal Impact Statement

Office of Management and Budget

Bill 13-25

Licensing and Regulations (Picnics, Dances, Soirees, and Other Entertainment)

Bill Summary

Bill 13-25 would: (1) prohibit an unlicensed party for gain or profit to which the general public is admitted with certain exceptions; (2) establish the penalty for violation of the prohibition against an unlicensed party for gain or profit at a residential property to which the general public is admitted and related violations in the same occurrence; and (3) generally amend the law governing licensing and regulations.

Fiscal Impact Summary

Bill 13-25 does not result in a fiscal impact on the Department of Permitting Services (DPS).

Fiscal Year	0	0	0	0	0	0	Total
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00	

Fiscal Impact Analysis

The sections of the zoning ordinance referenced in the bill are already being enforced by the Division of Zoning & Code Compliance. DPS assumes there will not be any substantial change in the violations tracked; therefore, there is estimated to be no fiscal impact.

Staff Impact

The bill is not expected to impact staff time or duties.

Actuarial Analysis

The bill is not expected to impact retiree pension or group insurance costs.

Information Technology Impact

The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.

Other Information

Later actions that may impact revenue or expenditures if future spending is projected

The bill does not authorize future spending.

Contributors

Victor Salazar, Department of Permitting Services
Ehsan Motazedi, Department of Permitting Services
Anita Aryeetey, Office of Management and Budget



Climate Assessment

Office of Legislative Oversight

BILL 13-25: LICENSING AND REGULATIONS GENERALLY – PICNICS, DANCES, SOIREES, AND OTHER ENTERTAINMENT - AMENDMENTS

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 13-25 will have no impact as it is proposing changes to a law that does not have an impact on the County's contribution to addressing climate change.

BACKGROUND AND PURPOSE OF BILL 13-25

Under current County Code, any unlicensed or unpermitted "picnic, dance, soiree, or other entertainment for gain or profit to which the general public is admitted" is prohibited. Those who violate this prohibition can be fined \$25 for each offense.¹

The Bill seeks to increase the fines for unlicensed or unpermitted commercial parties. According to the sponsoring Councilmembers, the Bill aims to curb for-profit house parties in neighborhoods as these are "events that are already illegal according to County zoning but that have proven difficult for County Government to effectively address."² If passed it would:

- Establish unlicensed or unpermitted commercial picnics, dances, soirees, parties, and other entertainment as a Class A violation;
- Increase the maximum civil violation penalty to \$5,000 when the violation is related to an unlicensed or unpermitted commercial activity occurring at a home;
- Increase the maximum civil violation penalty to \$5,000 for certain code violations associated with an unlicensed or unpermitted commercial activity; and
- Exclude for-profit activities benefitting organizations registered under certain sections of the Internal Revenue Code from the prohibition.

Bill 13-25, Licensing and Regulations Generally – Picnics, Dances, Soirees, and other Entertainment – Amendments was introduced by the County Council on May 6, 2025.³

ANTICIPATED IMPACTS

OLO anticipates Bill 13-25 will have no impact as it is proposing a change to a law that does not have an impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.⁴ OLO does not offer recommendations or amendments as Bill 13-25 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

¹ [Montgomery County Code Sec. 30-1. Picnics, dances, soirees and other entertainment-License required, Accessed 5/21/2025.](#)

² [Montgomery County Council, Introduction Staff Report for Bill 13-25, Introduced 5/6/2025.](#)

³ [Montgomery County Council, Introduction Staff Report for Bill 13-25, Introduced 5/6/2025.](#)

⁴ Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

Economic Impact Statement

Montgomery County, Maryland

Bill 13-25 Licensing and Regulations Generally – Picnics, Dances, Soirees, and Other Entertainment – Amendments

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Bill 13-25 would have an indeterminate impact on economic conditions in the County in terms of the Council's priority indicators. The Bill proposes to increase fines for unlicensed for-profit parties—already prohibited under County law—from \$25 to a maximum of \$5,000. However, because the County does not electronically track citations for these violations, the frequency of such events is unknown. Due to the lack of data on the prevalence of unlicensed parties and enforcement activity, OLO cannot determine the net economic impact of the Bill.

OLO notes, however, that if the significant increase in penalties deters unlicensed for-profit parties, certain entertainment establishments may see additional patronage, as individuals who would have attended those events may instead frequent licensed venues in the County.

BACKGROUND AND PURPOSE OF BILL 13-25

Under current County Code, any unlicensed or unpermitted “picnic, dance, soiree, or other entertainment for gain or profit to which the general public is admitted” is prohibited. Those who violate this prohibition can be fined \$25 for each offense.¹

The Bill seeks to increase the fines for unlicensed or unpermitted commercial parties. According to the sponsoring Councilmembers, the Bill aims to curb for-profit house parties in neighborhoods, as these are “events that are already illegal according to County zoning but that have proven difficult for County Government to effectively address.”² If passed, it would:

- Establish unlicensed or unpermitted commercial picnics, dances, soirees, parties, and other entertainment as a Class A violation;
- Increase the maximum civil violation penalty to \$5,000 when the violation is related to an unlicensed or unpermitted commercial activity occurring at a home;
- Increase the maximum civil violation penalty to \$5,000 for certain code violations associated with an unlicensed or unpermitted commercial activity; and
- Exclude for-profit activities benefitting organizations registered under certain sections of the Internal Revenue Code from the prohibition.

¹ Montgomery County Code, [Sec. 30-1. Picnics, dances, soirees and other entertainment-License required.](#)

² [Introduction Staff Report for Bill 13-25](#), Licensing and Regulations Generally – Picnics, Dances, Soirees, and Other Entertainment – Amendments, May 6, 2025.

The Council introduced Bill 13-25, Licensing and Regulations Generally – Picnics, Dances, Soirees, and other Entertainment – Amendments, on May 6, 2025.³

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

As required by Sec. 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Bill 13-25 on residents and private organizations in relation to Council's priority economic indicators. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.⁴

As noted in the Racial Equity and Social Justice (RESJ) impact statement on the Bill, OLO contacted the Montgomery County Police Department (MCPD) to obtain data on existing violations of Sec. 30-1.⁵ MCPD indicated that citations are issued as paper tickets and not tracked electronically. As a result, there is limited information available to assess the potential economic impact of the Bill.

This analysis does not rely on formal methodologies. The sole assumption made is that deterring unlicensed for-profit parties could lead to increased patronage at licensed establishments in the County.

VARIABLES

The primary variables that would affect the economic impacts of enacting Bill 13-25 are the following:

- Prevalence of unlicensed for-profit parties;
- Number of citations issues;
- Total fines assessed; and
- Sales at nightlife establishments.

IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Businesses, Non-Profits, Other Private Organizations

OLO anticipates that Bill 13-25 would have an indeterminate impact on certain private organizations in the County in terms of the Council's priority economic indicators.

The Bill may affect certain entertainment establishments. If higher fines successfully deter unlicensed for-profit parties, individuals who would have attended those events may instead frequent licensed venues, potentially increasing their patronage and revenue. However, given the lack of data on the prevalence of unlicensed parties and enforcement activity, OLO is unable to determine the net economic impact on businesses in the County.

³ Ibid.

⁴ Montgomery County Code, [Sec. 2-81B, Economic Impact Statements](#).

⁵ See [statement](#).

Residents

OLO anticipates that Bill 13-25 would have an insignificant impact on certain residents in the County in terms of the Council's priority economic indicators.

Net Impact

For reasons discussed above, OLO is unable to determine the net economic impact of Bill 13-25 in terms of the Council's priority economic indicators.

DISCUSSION ITEMS

Not applicable

CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

CONTRIBUTIONS

Stephen Roblin (OLO) prepared this report.