

**Department of Legislative Services**  
2011 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 1292  
Economic Matters

(Anne Arundel County Delegation)

Education, Health, and Environmental Affairs

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**Anne Arundel County - Alcoholic Beverages - Licenses and Fees**

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This bill increases various license fees for the sale of alcoholic beverages in Anne Arundel County and establishes new classes of licenses. The bill also requires the board of license commissioners to determine the fee for a duplicate license.

The bill takes effect July 1, 2011.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Anne Arundel County revenues increase by a minimum of \$136,400 annually beginning in FY 2012. County licensing fee revenues may further increase due to the new licenses established under the bill. County expenditures are not affected.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary/Current Law:** The bill increases licensing fees in Anne Arundel County for the sale of alcoholic beverages as shown in **Exhibit 1**.

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**Exhibit 1**  
**Increase in Anne Arundel County Alcoholic Beverages Licensing Fees**

<u>License</u>	<u>Current Fee</u>	<u>Proposed Fee</u>	<u>Number of Current Licensees</u>
<b>Beer and Wine</b>			
Class A	\$200	\$240	4
Class B	400	480	3
Class H	300	360	32
Class C	100	120	2
Class D	400	480	4
Special Sunday license	50	60	25
<b>Beer, Wine, and Liquor</b>			
Class A	600	720	80
Class B	900	1,080	50
Class H	800	960	149
Class C	400	480	34
Class C (yacht club/golf and country club)	1,500	1,800	5
Class C (country club)	625	750	0
Class D (limited)	900	1,080	111
Class D (on and off sale)	1,000	1,200	8
Resort Complex	1,500	1,800	0
BLX (deluxe restaurant)	1,000	1,200	1
Motel/Hotel-Restaurant	3,000	3,600	21
Special Sunday license	100	120	96
<b>Miscellaneous</b>			
Racetrack (per day fee)	50	60	1
Class C for entertainment conducted by club, society, or association (per day)	10	25	1,200
Class C for ability to purchase beer from a wholesaler (per day)	25	50	1,200

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### *Festival Licenses*

The board is currently authorized to issue a special “festival” license and to set the fee for the license. The bill expands the definition of “festival” to include the Benson-Hammond House Strawberry Festival.

### *Wine Tasting License*

The bill establishes in statute a Class WT wine tasting (on-premises) license which may be issued only to a holder of a Class BWL license or a Class BW license. The Class WT license authorizes a holder to permit the on-premises consumption for tasting or sampling purposes only of light wine. Quantities may not exceed one ounce from each brand to any one person. The annual license fee is \$150 for a holder of a Class BWL license and \$50 for a holder of a Class BW license. This license fee reflects provisions of Chapter 444 of 2010, which temporarily increased the fees for tasting licenses in Anne Arundel County through fiscal 2013. The board advises that these licenses are currently issued, therefore these provisions simplify codify an existing license.

### *Special Entertainment Licenses*

The bill establishes a special entertainment license that can be issued to a holder of a Class B, D, or H license. The license authorizes the holder to allow the playing of more than one television, live music with not more than four musicians, karaoke, and a disc jockey. The holder of the license may not allow dancing, floor shows, or similar live entertainment. The annual license fee is \$300 for beer, wine, and liquor license holders and \$200 for beer and wine license holders.

Under current law, the board may issue a special outdoor entertainment license for an annual fee of \$100 to holders of Class B, C, D, or H licenses who also hold a special dancing license or a special music license. This bill establishes that a special outdoor entertainment license can also be issued to holders of a special entertainment license.

### *Administrative Fee*

Under current law, applications for new licenses must be accompanied by a fee of \$200. The fee must be used by the board to cover its expenses. This bill clarifies that any administrative action that requires a hearing, including new licenses, transfers of licenses to third parties, or changing the ownership of a majority interest in a license must be accompanied by an administrative fee of \$200.

*Duplicate Licenses*

Unless otherwise specified, whenever a license issued under the Alcoholic Beverages Article is lost or destroyed, a fee of \$1 may be charged for the issuance of a duplicate license. Other jurisdictions (Garrett and Prince George's counties and Baltimore City) charge higher fees which are specified in statute. The bill requires the board of license commissioners to determine the fee for a duplicate license in Anne Arundel County.

**Local Revenues:** Anne Arundel County revenues increase by a minimum of \$136,400 annually beginning in fiscal 2012 as shown in **Exhibit 2**.

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<b>Exhibit 2</b>	
<b>Increase in Anne Arundel County Revenues</b>	
Increase in Licensing Fees	\$133,900
Festival License	<u>2,500</u>
<b>Total</b>	<b>\$136,400</b>

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Local licensing fee revenues increase by \$133,900 beginning in fiscal 2012 due to the increase in fees for current licenses.

*New Licenses*

The board anticipates issuing one additional festival license for the Benson-Hammond House Strawberry Festival. The fee for the current special festival license is \$2,500. While it is unknown how many special entertainment licenses will be issued, revenues increase by at least \$200 for each new license issued. Revenues from this new class of license may be partially offset by a decrease in revenue from special music licenses, as some establishments may choose to obtain the new license instead of the existing music license. Revenues will increase by an additional \$100 if new holders of special entertainment licenses also obtain a special outdoor license.

*Miscellaneous*

The bill also gives the board the authority to set the fee for a duplicate license. The board advises that it generally has 10 to 15 requests for duplicate licenses per year, therefore, board revenue will increase to the extent that a higher fee is set. Although the bill also requires that payment of a \$200 fee must accompany any administrative action that requires a hearing, the board advises that this provision simply clarifies current practice; therefore no additional revenue is expected.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Anne Arundel County, Comptroller's Office, Department of Legislative Services

**Fiscal Note History:** First Reader - March 17, 2011  
ncs/hlb Revised - House Third Reader - March 25, 2011

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