

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

House Bill 410

(Frederick County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

Frederick County - Alcoholic Beverages - License Fees

This bill alters the distribution of alcoholic beverages license fee revenue in Frederick County by requiring the Frederick County Treasurer to keep all alcoholic beverages license fees collected. Salaries and expenses for the Frederick County Board of License Commissioners must be paid from the license fees that the Frederick County Treasurer receives.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: None.

Local Effect: Frederick County revenues from alcoholic beverages license fees increase by an estimated \$107,100 annually, while municipal revenues from alcoholic beverages license fees decrease by \$107,100 annually. Expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law: In Frederick County, the county board of license commissioners distributes all alcoholic beverages license fees collected outside an incorporated municipality to the Frederick County Treasurer. For alcoholic beverages license fees collected within an incorporated municipality, 50% is distributed to the incorporated municipality and 50% is distributed to the Frederick County Treasurer. The salary and expenses of the license commissioner are paid by the Frederick County Commissioners from the alcoholic beverages license fees received.

Local Fiscal Effect: Revenues from alcoholic beverages license fees in Frederick County totaled \$359,788 in fiscal 2012, as shown in **Exhibit 1**. Of this amount, \$252,709 was distributed to the county general fund and \$107,079 was distributed to the 10 municipalities within the county. Under the bill, the entire amount of alcoholic beverages license fees will be retained by the county general fund. The county’s municipalities will no longer receive a portion of the alcoholic beverages license fee revenues. Accordingly, Frederick County revenues will increase by approximately \$107,100 annually, while municipal revenues will decrease by an equal amount.

In addition, the bill requires that the salaries and expenses for the board of license commissioners be paid from the license fee revenues received by the Frederick County Treasurer. Currently, these expenses total \$322,537 in fiscal 2013.

Exhibit 1
Distribution of License Fee Revenues under Current Law
Fiscal 2012

<u>Jurisdiction</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Brunswick	\$2,490	\$2,490	\$4,980
Emmitsburg	4,855	4,855	9,710
Frederick	84,514	84,514	169,028
Middletown	1,970	1,970	3,940
Mt. Airy	2,200	2,200	4,400
Myersville	15	15	30
New Market	1,688	1,688	3,375
Woodsboro	2,278	2,278	4,555
Thurmont	4,725	4,725	9,450
Walkersville	2,345	2,345	4,690
Unincorporated Areas	0	145,630	145,630
Total	\$107,079	\$252,709	\$359,788

Additional Information

Prior Introductions: None.

Cross File: SB 321 (Senators Brinkley and Young) - Education, Health, and Environmental Affairs.

Information Source(s): Frederick County, Town of Thurmont, Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2013
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