

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1081

(Prince George's County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

Prince George's County - Alcoholic Beverages - Entertainment Permit - Class BH Licensees
PG 301-13

This bill authorizes a holder of a Class BH (hotel) alcoholic beverages license in Prince George's County that obtains a special entertainment permit to allow an individual under the age of 21 years to be present on the licensed premises while alcoholic beverages are being served during specified events. The bill also defines a Class BH license to be a hotel that collects the county hotel occupancy tax from guests using the establishment.

The bill takes effect June 1, 2013.

Fiscal Summary

State Effect: None.

Local Effect: None. Prince George's County finances are not affected by the bill's provisions.

Small Business Effect: Potential meaningful due to the expansion of events in which a special entertainment permit holder will be authorized to serve alcohol that are traditionally attended by individuals under the age of 21 years (*e.g.*, baptism receptions, Bar Mitzvahs, Bat Mitzvahs, and rites-of-passage events).

Analysis

Bill Summary: A Class BH license holder that obtains a special entertainment permit may allow an individual under the age of 21 years to be present on the licensed premises while alcoholic beverages are being served during the following events: anniversary party, baby shower, baptism reception, Bar Mitzvah, Bat Mitzvah, beautillion, birthday party, book signing, church event, confirmation reception, corporate reception, cotillion, engagement party, faith-based event, family reunion, family themed theatrical, graduation party, performance, political event, retirement party, rites-of-passage event, scholarship award ceremony, school event, tea party, wedding, wedding reception, and any family-oriented event defined in regulations adopted by the Prince George's County Board of License Commissioners.

Current Law/Background: Chapter 684 of 2010 (HB 558) authorized the Prince George's County Board of License Commissioners to issue a special entertainment permit to the holder of any Class B (on-sale) license. The board must determine the number of days in a week that the permit holder may exercise the privileges of the permit. The annual permit fee is \$1,500, which is in addition to the annual fee for the Class B license. The permit authorizes a holder, after 9 p.m. and until 2 a.m., to impose a cover charge, offer facilities for patron dancing, and provide entertainment.

A permit holder may not allow an individual under the age of 21 years on the premises covered by the permit unless the individual is employed by or is an immediate family member of the permit holder.

The board must hold a public hearing before (1) approving an application for and issuing an entertainment permit, and (2) on receipt of a petition to revoke an entertainment permit or protest the renewal of a permit. At an entertainment permit hearing, supporters and opponents of the applicant must be given an opportunity to be heard. The board must consider specified factors when determining whether to approve the application and issue the permit, including (1) the fitness of the applicant; (2) whether the applicant has committed a fraudulent act in connection with the application, (3) whether the applicant has made any material false statements in the application; and (4) whether the operation of the business pursuant to the permit will disturb the peace of the residents of the surrounding neighborhood. The board is authorized to condition, restrict, or prohibit the type of entertainment offered by the permit holder at any time if, after a hearing, the board determines that the entertainment adversely affects or disturbs the peace of the community and is not conducive to the peace, health, welfare, or safety of the county's residents.

A permit applicant must submit satisfactory evidence to the board that he/she (1) holds a Class B license; (2) developed a security plan to ensure the peace and safety of the surrounding area; and (3) submitted the security plan for review by the board and the Chief of the Prince George's County Police Department. The chief may submit comments on the plan within 30 days of receipt of the plan, and the board may consider the chief's comments when deciding to issue or deny the permit or condition the issuance of the permit on changes to the security plan. If the board issues a permit with a security plan that is not supported by the chief, the board must specify in writing to the chief the reasons why the board determined that the plan was adequate. A permit holder must follow the approved security plan at all times during which the privileges of the permit are exercised.

The permit holder is authorized to employ sworn security personnel as part of the security plan if certain conditions are met and authorizes the circuit court of the county to issue a temporary restraining order to immediately close the premises if the county establishes that the security plan has not been implemented and that emergency action is required to protect the health, safety, or welfare of the public. If a temporary restraining order is issued, the county must give the permit holder notice of the closure and the reasons behind it. The permit holder is entitled to an opportunity for a circuit court hearing on the issuance of the temporary restraining order, pursuant to the Maryland Rules.

The board is authorized to immediately suspend a permit if the board reasonably believes that the permit holder violated the terms and conditions of the permit. The board must provide notice of the suspension to the permit holder and hold a hearing within 30 days at which the permit holder has an opportunity to be heard and present evidence. At the hearing, the board must determine if the permit holder committed a violation and what penalty to impose for violations. If the board determines that the permit holder did not commit a violation, the board must reinstate the permit immediately. If the board determines that the permit holder committed a violation, the board may revoke the permit or continue the suspension and must impose a penalty within specified monetary ranges. The penalty for a first offense must be at least \$1,000 but may not exceed \$12,500. The minimum penalty for a subsequent offense is \$5,000.

The board must revoke the permit of a person who violated the terms and conditions of the permit twice within a 24-month period and may not consider an application from the person for a new entertainment permit or an application for a new permit for the premises that was the subject of the revocation until at least 12 months after the order of revocation.

Chapter 613 of 2011 (HB 1119) provided that an alcoholic beverages license holder does not need an entertainment permit if the board determines that the licensee's principal

business is to provide family entertainment or if the license is issued under related provisions applicable to:

- a restaurant for an agricultural association, agricultural fair association, or any other association duly authorized to conduct racing under the provisions of the Maryland Horse Racing Act;
- a Class B/ECF license (beer, wine, and liquor), known as an “educational conference facility” license, to the University of Maryland University College Center of Adult Education;
- a Class B-CI license (country inns);
- Class B-ECR license (Maryland-National Capital Park and Planning Commission’s Equestrian Center);
- a Class B-ECF/DS beer, wine, and liquor on-sale license (Education Conference Facility/Dining Service license);
- a Class B beer, wine, and liquor stadium license;
- a Class B (TP) beer, wine, and liquor theme park license; or
- a Class B-CC (convention center) beer, wine, and liquor license.

Chapter 613 requires an entertainment permit holder to meet all applicable county law requirements and clarifies that a prohibition applicable to underage persons being allowed on the premises applies during the time the entertainment permit privileges are in use.

Chapter 137 of 2012 (HB 817) further exempted establishments that hold (1) a Class B (on-sale) restaurant license that provides entertainment for adults and children that is ancillary to the business and not the primary focus of marketing or promotion for the business; and (2) a Class C veterans or fraternal license that provides entertainment under direct supervision of the license holder for adults, children, and families of the organization or the public ending no later than midnight.

The current hotel occupancy tax in Prince George’s County is 5%.

Prince George’s County reports that there are currently 12 Class BH licensees who are issued special entertainment permits, and the annual fee for this permit is \$1,500.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County, Department of Legislative Services

Fiscal Note History: First Reader - February 21, 2013
ncs/hlb Revised - House Third Reader/Updated Information - March 20,
2013

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