

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 1106
Economic Matters

(Calvert County Delegation)

Education, Health, and Environmental Affairs

Calvert County - Alcoholic Beverages - Volunteer Fire Companies and Fraternal Organizations

This bill authorizes the Calvert County Board of License Commissioners to issue a Class C beer, wine, and liquor license to a volunteer fire company or fraternal organization; the annual license fee is \$100. A Class C beer, wine, and liquor license issued to a volunteer fire company or fraternal organization authorizes the sale of liquor only by the drink, for consumption on the premises.

Additionally, the bill decreases the annual license fee for a Class C beer, wine, and liquor license for an American Legion or Veterans of Foreign Wars post from \$500 to \$100.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None.

Local Effect: Calvert County revenues decrease by \$800 annually due to a reduction in fee revenues from existing licenses issued to firehouses and fraternal organizations. However, county revenues may increase to the extent that the bill results in an increase in the number of Class C beer, wine, and liquor licenses issued to these organizations. Issuance and monitoring of licenses can be handled with existing resources.

Small Business Effect: Minimal.

Analysis

Current Law: Class C club beer, wine, and liquor licenses generally authorize various clubs (including veterans' clubs; fraternal organizations; interest groups; and athletic, social, or cultural organizations) to keep for sale and to sell alcoholic beverages for consumption on the licensed premises. In Calvert County, there are four Class C club licenses that the county board may issue: (1) bona fide yacht clubs; (2) country clubs; (3) bona fide post homes of posts of the American Legion or Veterans of Foreign Wars; and (4) continuing care retirement communities. The annual license fee is generally \$500; however, for country clubs, the fee is \$1,000.

Additionally, various clubs may obtain a special, temporary license. A special Class C beer, wine, and liquor license entitles the holder to sell alcohol during a bona fide entertainment conducted by a club, society, or association at the place described for a period not exceeding seven consecutive days. In Calvert County the fee for this license is \$25 per day, except that for any bona fide religious, fraternal, civic, war veterans', hospital, or charitable organization, the fee for the license is \$15.

Background: There are currently 12 volunteer fire stations, four American Legion posts, one Masonic lodge, and no Veterans of Foreign Wars posts in Calvert County. The exact number of fraternal organizations in Calvert County cannot be reliably estimated at this time.

In fiscal 2013, there were eight Class C beer, wine, and liquor licenses issued in Calvert County.

Local Revenues: According to Calvert County, the Calvert County Board of License Commissioners has issued two organizational licenses (one to a firehouse and one to a fraternal organization) for an annual fee of \$500, despite the fact that the board does not currently have the authority to do so. Because the bill sets the annual license fee at \$100, and the board currently charges a fee of \$500, revenues decrease by \$800 annually, assuming the number of licensees remains constant. However, county revenues may increase to the extent the bill's decrease in license fees results in an increase in the number of licenses issued to such organizations.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Calvert County, Comptroller's Office, American Legion, Veterans of Foreign Wars of the United States, Department of Legislative Services

Fiscal Note History: First Reader - February 26, 2014
mm/lgc

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