

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 419
Economic Matters

(Charles County Delegation)
Education, Health, and Environmental Affairs

**Charles County - Off-Sale Alcoholic Beverages Licenses - Population Quota in
Sixth Election District**

This bill specifies that the Charles County Board of License Commissioners uses the *resident* population figures of the last federal census when determining the number of off-sale alcoholic beverages licenses that may be issued within each election district. Additionally, the bill authorizes the Charles County Board of License Commissioners to issue in the sixth election district one alcoholic beverages license with an off-sale privilege per every unit of 2,700 people (instead of 1,350 people) based on the resident population figures of the last federal census.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None.

Local Effect: Altering the license requirements for the sixth election district of Charles County does not materially affect Charles County finances, but limits the county from using additional Class A and Class D licenses, as discussed below.

Small Business Effect: Overall minimal, but potentially meaningful to those small businesses in the sixth election district of Charles County that would like an alcoholic beverages license with an off-sale privilege, but are unable to be issued one under the bill.

Analysis

Current Law: Within each election district in the county, the Charles County Board of License Commissioners may only issue one alcoholic beverages license with an off-sale privilege per every unit of 1,350 people, based on the population figures of the last federal census. A license with an off-sale privilege may not be transferred from one election district to another.

Background: The sixth election district of Charles County has a population of approximately 78,000 people. Of the 98 alcoholic beverages licenses issued in the sixth election district of Charles County, 40 licenses have off-sale privileges.

A Class A alcoholic beverages license authorizes the license holder to sell at retail alcoholic beverages in sealed packages or containers for consumption off premises, and the annual license fee is \$480. A Class D alcoholic beverages license authorizes the license holder to sell at retail alcoholic beverages for on- or off-premises consumption, and the annual license fee is \$1,140 for on- and off-sale consumption of all alcoholic beverages and \$720 for off-sale consumption for liquor and on- or off-sale consumption for beer and wine.

Local Revenues: Decreasing the population quota in the sixth election district from one off-sale license per every unit of 1,350 residents to one off-sale license per every unit of 2,700 residents prevents the Charles County Board of License Commissioners from issuing 17 additional licenses with off-sale privileges. Current law allows up to 57 licenses with off-sale privileges to be issued, but under the bill, only 28 licenses with off-sale privileges may be issued. Since there are currently 40 licenses with off-sale privileges in the sixth election district, no additional licenses may be issued. While there is no current fiscal impact on Charles County, the bill limits future license fee revenues by preventing additional Class A and Class D licenses from being issued.

Small Business Effect: Small businesses in the sixth election district of Charles County attempting to obtain an alcoholic beverages license with an off-sale privilege will be unable to enter the market. Current businesses with an off-sale privilege may face less competition in the future.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Charles County, U.S. Census Bureau, Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2014
ncs/lgc

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