

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

House Bill 931
Economic Matters

(Prince George's County Delegation)

Education, Health, and Environmental Affairs

Alcoholic Beverages - Prince George's County - Seven Day Sales
PG 318-15

This bill establishes a special Sunday off-sale permit in Prince George's County and authorizes the Prince George's County Board of License Commissioners to issue the permit to the holder of any Class A beer, wine, and liquor license or to the holder of a Class B beer, wine, and liquor license with an off-sale privilege. The new permit authorizes the sale of alcoholic beverages for consumption off the licensed premises on Sunday only from 8 a.m. to midnight. The application fee for the permit is \$750, and the annual permit fee is \$2,590 for the holder of a Class A BWL license, or \$1,080 for the holder of a Class B BWL license with an off-sale privilege. The permit fee is in addition to the annual fee for the licensee's existing license. The bill establishes a cap on the number of special Sunday off-sale permits as well as capital improvement and operating requirements for permit holders.

The bill takes effect July 1, 2015.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues increase by an estimated \$308,180 in FY 2016, and by at least \$210,680 annually beginning in FY 2017, from application and permit fees. Enforcement activities can be handled with existing resources.

Small Business Effect: Potential meaningful impact for licensees that obtain the Sunday off-sale permit in Prince George's County. It is assumed that all applicants for the special Sunday off-sale permit comply with the bill's minimum reinvestment requirement.

Analysis

Bill Summary: An applicant for a special Sunday off-sale permit must commit to reinvesting a minimum of \$50,000 in the business within one year after the permit is issued. The board may waive the reinvestment requirement, but the board must revoke the permit if the requirement is not waived and the reinvestment is not made. No more than 100 special Sunday off-sale permits may be in effect at any one time. The board may not issue a special Sunday off-sale permit to specified license holders that have violated specified restrictions on selling liquor on Sunday. The board is authorized to adopt regulations to carry out these provisions.

Current Law: In Prince George's County, a holder of a Class A retail off-sale alcoholic beverages license or a Class B or Class D alcoholic beverages license with off-sale privileges, or any agent, servant, or employee of the holder, may not sell any alcoholic beverages for consumption off the licensed premises between the hours of 12 a.m. and 6 a.m.

A holder of a Class A beer, wine, and liquor license or any agent, servant, or employee of a holder of a Class A beer, wine, and liquor license may not make any sale on Sunday after 12 a.m. except when December 24 and 31 fall on a Sunday.

A Class B beer, wine, and liquor licensee may not sell any alcoholic beverages for consumption off the licensed premises between the hours of 12 a.m. and 6 a.m. or on Sunday after 12 a.m. from any separate store established on the licensed premises as an "off-sale store" or to keep an "off-sale store" open for business on Sunday after 12 a.m., except that beer and light wine only may be sold from an "off-sale" store which is attached to and a part of the licensed premises on Sunday after 8 a.m. until 12 a.m. the following day. The board of license commissioners determines what constitutes an "off-sale store."

Local Fiscal Effect: Prince George's County reports that there are currently about 160 licensed premises that could be eligible for the additional special Sunday off-sale permit under the bill. The county assumes that about 130 of both license classes seek the new permit in fiscal 2016, with an application fee of \$750, generating an additional \$97,500 in application fee revenues in fiscal 2016. This includes all 32 of the eligible Class B BWL licensees.

However, the bill limits the total number of Sunday sales permits to 100 at any one time. Assuming that all 100 special Sunday permits are issued annually, the county advises that it is likely that all 32 Class B BWL licensees seek and receive the special Sunday permit and that 68 Class A BWL are issued the permit. Thus, in fiscal 2016, permit fee revenue from the 32 Class B licensees totals \$34,560 (32 x \$1,080), and permit fee revenue from the 68 Class A licensees totals \$176,120 (68 x \$2,590). Accordingly, fiscal 2016 fee

revenues (from both application and permit fees) total an estimated \$308,180 in fiscal 2016 (\$97,500 + \$210,680).

Assuming 100 permits are issued each year, and assuming the same distribution of permits by license class each year, permit fee revenues total \$210,680 annually. The number of applications submitted to the board in the out-years cannot be predicted; thus, future year revenues from application fees cannot be reliably estimated.

Additional Information

Prior Introductions: HB 966 of 2014, a similar bill, was withdrawn by the county delegation and received an unfavorable report from the House Economic Matters Committee. HB 1078 of 2013, another similar bill, received a hearing in the House Economic Matters Committee but was subsequently withdrawn.

Cross File: None.

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

Fiscal Note History: First Reader - February 19, 2015
md/lgc Revised - House Third Reader - March 27, 2015

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