

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 1129 (Senator Rosapepe)
Education, Health, and Environmental Affairs

**Prince George's County - Alcoholic Beverages - Special Hotel and Special Hotel
Concessionaire Licenses**

This bill establishes a special hotel license (SH) and a special hotel concessionaire license (SC) in Prince George's County and authorizes the Prince George's County Board of License Commissioners to issue an SH and SC license. Each license permits the sale of beer, wine, and liquor within the hotel. The SH annual license fee is \$5,000; the SC annual license fee is \$4,000.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County license revenues increase between \$19,800 and \$24,500 in FY 2018 and between \$17,000 and \$21,000 annually beginning in FY 2019. Prince George's County can handle any enforcement activity with existing resources.

Small Business Effect: Minimal.

Analysis

Bill Summary:

Special Hotel License

The SH license may be issued to a person that owns or operates a hotel with first-class amenities that contains:

- at least 250 bedrooms;
- a spa, an exercise room, and a pool;
- at least 15,000 square feet of conference room space;
- at least two full-service restaurants and other food and beverage venues; and
- a parking garage with a capacity for at least 400 vehicles.

The holder of an SH license may sell beer, wine, and liquor by the glass or bottle in any location of the hotel that is not covered by an SC license for consumption anywhere in the hotel, including on the premises of the holder of an SC license.

Special Hotel Concessionaire License

The SC license may be issued to a lessee, sublessee, or other operator of an establishment that operates as a concession in conjunction with, but independent of, a hotel and engages in the daily sale of alcoholic beverages for consumption on the premises of an SH licensee. The holder of an SC license may sell beer, wine, and liquor by the glass or bottle on the premises of the concessionaire for consumption anywhere in the hotel, including on the premises of another holder of an SC license. Any penalty or sanction imposed for a violation of the board's regulations in a hotel applies to the license holder that the board determines is responsible.

Both the SH and SC licenses:

- allow the sale and consumption of beer, wine, and liquor Monday through Sunday from 6 a.m. to 3 a.m. the following day;
- may not be counted as a Class B or Class H license for purposes of the limitations on multiple licenses specified in State law; and
- do not require a dance license before offering live music and dancing on the licensed premises.

An applicant for an SH or SC license need not meet any location, voting, ownership, or residency requirements.

Current Law: A Class H beer, wine, and liquor license generally allows a hotel or restaurant to sell alcoholic beverages for consumption on the premises. A Class BH (hotel) license in Prince George’s County authorizes the sale of beer, wine, and liquor at a bar or cocktail lounge for on-premises consumption at a hotel with at least 45 bedrooms and that meets other specified criteria.

Background: The State of Maryland has authorized and awarded six video lottery operation licenses in Baltimore City and Allegany, Anne Arundel, Cecil, Prince George’s, and Worcester counties with a maximum number of 16,500 video lottery terminals allotted in the State. Five casinos are currently operating in Maryland, with the sixth casino, MGM National Harbor, LLC, expected to open in fiscal 2017. The bill authorizes alcohol sales at a planned luxury hotel adjacent to the planned casino at National Harbor.

Local Fiscal Effect: Prince George’s County advises that one luxury hotel is planned and that between three and four businesses within the hotel would meet the description of a concessionaire. The hotel facility is expected to open in fiscal 2018. Given the \$5,000 SH annual license fee, the \$4,000 SC license fee, and the one-time \$700 application fee for each licensee, license revenues increase between \$19,800 and \$24,500 in fiscal 2018. Estimated revenues increase between \$17,000 and \$21,000 annually beginning in fiscal 2019.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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kb/hlb

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