

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 374

(Anne Arundel County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

**Anne Arundel County – Alcoholic Beverages – Racetrack and Racetrack
Concessionaire Licenses**

This bill expands the hours of operation and privileges of racetrack alcoholic beverages licenses in Anne Arundel County to include racing establishments offering pari-mutuel betting. The bill increases the fee for a racetrack license from \$60 dollars per day of live or simulcast racing to an annual fee of \$25,000. The bill also establishes the racetrack concessionaire license in Anne Arundel County. The Anne Arundel County Board of License Commissioners is authorized to issue the license to a concessionaire operating in conjunction with a licensed racing establishment. The annual license fee for a racetrack concessionaire license is \$5,000. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County revenues increase by at least \$3,100 beginning in FY 2020 due to increased fees from racetrack licenses. Revenues may further increase to the extent racetrack concessionaire licenses are issued as a result of the bill. Monitoring of any additional licenses issued can be handled using existing resources.

Small Business Effect: Minimal.

Analysis

Bill Summary:

Racetrack Licenses

The racetrack license authorizes the sale of beer, wine, and liquor in a location of the licensed racing establishment not covered by a racetrack concessionaire license and playing of music and dancing on the licensed premises. The racetrack license may not be counted as a Class B license or a Class H license in Anne Arundel County and the license holder need not obtain a Sunday license to sell alcoholic beverages on Sunday.

Racetrack Concessionaire Licenses

The racetrack concessionaire license authorizes (1) the license holder to sell beer, wine, and liquor on the premises of the concessionaire for consumption on the premises of the concessionaire and the racing establishment; (2) the playing of music and dancing on the licensed premises of the concessionaire; and (3) if the license holder is also the holder of a Class 5 brewery license, the sale of only beer in accordance with § 2-207 of the Alcoholic Beverages Article for consumption on the licensed premises of the concessionaire and the licensed premises of the racing establishment. Alcoholic beverages purchased under the license may be taken into and consumed on the licensed premises of the racing establishment.

A racetrack concessionaire license holder need not obtain a specified Sunday license to sell alcoholic beverages after 2 a.m. on a Sunday, and the hours and days for the sale and consumption of alcohol are the same as those set for a racetrack license. The license may not be counted as a Class B or Class H license for purposes of specified limitations on the issuance of Class H licenses in Anne Arundel County. The license holder may also hold a Class 5 brewery license or a Class 7 micro-brewery license.

Current Law: The holder of a racetrack alcoholic beverages license in Anne Arundel County may sell alcoholic beverages at one or more locations on the premises of the racetrack but only from two hours before the running of an authorized race until two hours after the authorized race. The license fee is \$60 per day of live or simulcast racing.

An entertainment concessionaire alcoholic beverages license may be issued to a concessionaire operating in conjunction with an entertainment facility. The license holder may sell beer, wine, and liquor on the premises of the concessionaire for consumption anywhere within the entertainment facility in addition to authorizing the playing of music and dancing in the licensed premises. The annual license fee is \$5,000.

Background: Pari-mutuel betting is a betting system where all bets of a particular type are placed together in a pool. This system is generally used in horse and greyhound racing in addition to sporting events of relatively short duration where participants finish in a ranked order.

As of March 2019, Anne Arundel County advises one special racetrack license has been issued in the county.

Local Revenues: The current license fee for a racetrack license in Anne Arundel County is \$60 per day of live or simulcast racing or an annual fee of \$21,900 if the racetrack offered live or simulcast racing every day of the year. Under the bill, the annual license fee for a racetrack license is \$25,000. Anne Arundel County advises one special racetrack license has been issued in the county. Thus, annual revenues increase by at least \$3,100 beginning in fiscal 2020 due to additional annual license fees from the one current racetrack license in the county. Revenues may further increase to the extent racetrack concessionaire licenses are issued under the bill.

Additional Information

Prior Introductions: None.

Cross File: SB 309 (Senator Beidle, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Anne Arundel County; Comptroller's Office; Department of Legislative Services

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