

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 189
Economic Matters

(Prince George's County Delegation)

Education, Health, and Environmental Affairs

Prince George's County - Alcoholic Beverages - Class BLX Licenses
PG 304-19

This bill increases, from 10 to 15, the number of Class BLX licenses the Prince George's County Board of License Commissioners may issue to a single license holder. The bill extends specified existing requirements pertaining to the issuance of a fifth, sixth, seventh, eighth, ninth, or tenth Class BLX license to the issuance of an eleventh or subsequent license. Namely, the board may issue a fifth, sixth, or subsequent license to a single license holder only upon (1) consideration of the number of licensed establishments in the area surrounding the proposed licensed establishment and (2) determination that the proposed licensed establishment will enhance the recreational, business, and economic development of the area. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues increase by \$4,575 in FY 2020, \$3,875 in FY 2021, \$8,450 in FY 2022, and \$7,750 annually thereafter from application and licensing fees. Prince George's County can monitor licenses with existing resources.

Small Business Effect: Minimal.

Analysis

Current Law: The board may issue a Class BLX license for use in a luxury restaurant, as defined by the board, that has (1) a minimum capital investment of \$1,000,000 for a dining room and kitchen equipment, excluding the cost of the land, building, or lease, and

(2) seating for at least 100 individuals. The license authorizes the licensee to sell beer, wine, and liquor for on-premises consumption from 6 a.m. to 2 a.m. the following day. Generally, a licensee may not sell beer, wine, or liquor for on-premises consumption between the hours of 2 a.m. and 6 a.m. or from a bar or counter on Sunday between the hours of 6 a.m. and 2 a.m. the following day. The annual license fee is \$3,875.

The board may, subject to specified limitations, issue a single license holder up to 10 Class BLX licenses. The board may issue a fifth or sixth Class BLX license to a licensee only if the licensee submits the application at least a year after the issuance of the fourth or fifth license, respectively. The board may issue a fifth, sixth, seventh, eighth, ninth, or tenth license to a single license holder only upon (1) consideration of the number of licensed establishments in the area surrounding the proposed licensed establishment, and (2) determination that the proposed licensed establishment will enhance the recreational, business, and economic development of the area.

Background: Prince George’s County advises that there are 110 active Class BLX licenses in the county.

Local Fiscal Effect: The board charges a \$700 application fee for an alcoholic beverages license of any class. The annual license fee for a Class BLX license is \$3,875. For each new Class BLX license issued, county revenues increase by \$4,575 at the time of application and \$3,875 annually thereafter.

Prince George’s County advises that one restaurant group holds the current maximum of 10 Class BLX licenses. Under the bill, the county anticipates issuing one new license in fiscal 2020 and an additional new license in fiscal 2022. Accordingly, Prince George’s County revenues increase by \$4,575 in fiscal 2020, \$3,875 in fiscal 2021, \$8,450 in fiscal 2022, and \$7,750 annually thereafter.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 7, 2019
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