Department of Legislative Services

Maryland General Assembly 2022 Session

FISCAL AND POLICY NOTE Third Reader - Revised

House Bill 357

(Prince George's County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

Prince George's County - Alcoholic Beverages - Sunday Off-Sale Permits PG 301-22

This bill repeals the limitation on the number of Sunday off-sale permits that the Prince George's County Board of License Commissioners may issue to the holder of any Class A license or the holder of any Class B license with an off-sale privilege, as discussed below. **The bill takes effect June 1, 2022.**

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues increase by up to \$188,000 in FY 2023 and by up to \$143,000 annually thereafter from additional Sunday off-sale permits issued under the bill. Prince George's County can likely handle any additional enforcement activity with existing resources.

Small Business Effect: Minimal overall but potentially meaningful to small businesses who obtain a Sunday off-sale permit under the bill.

Analysis

Bill Summary: The bill repeals the limitation of five Sunday off-sale permits that may be issued only to holders of a Class B beer, wine, and liquor license with an off-sale privilege that acquired the license on or after January 1, 2016, and the bill also repeals the total limitation of 105 Sunday off-sale permits that may be in effect at any one time to holders of any Class A license or any Class B license with an off-sale privilege.

Current Law:

Sunday Off-sale Permits

Generally, in Prince George's County, Sunday off-sale permits can be issued to the holder of any Class A license or any Class B license with an off-sale privilege. The permit authorizes the sale of alcoholic beverages for consumption off the licensed premises on Sunday from 8 a.m. to midnight.

Sunday off-sale permits may be issued to holders of a Class A beer, wine, and liquor license that acquired the license on or after January 1, 2016. Five Sunday off-sale permits may be issued only to holders of a Class B beer, wine, and liquor license with an off-sale privilege that acquired the license on or after January 1, 2016.

No more than 105 Sunday off-sale permits may be in effect at any one time. The board may not issue a Sunday off-sale permit to license holders that have violated restrictions on selling liquor on Sunday without a Sunday off-sale permit.

The application fee for a Sunday off-sale permit is \$750. The annual permit fee is \$2,590 for a holder of a Class A license and \$1,080 for a holder of a Class B license with off-sale privileges. These permit fees are in addition to the annual fees for Class A and Class B licenses to which the permit is attached.

Local Fiscal Effect: Prince George's County advises that 52 Class A licensees may wish to obtain a Sunday off-sale permit under the bill. County revenues increase by \$2,590 per additional permit issued to a Class A alcoholic beverages license. In addition, there is an initial \$750 application fee for each permit. Assuming 52 additional Class A license holders obtain a Sunday off-sale permit, revenues increase by up to \$173,680 from additional Class A permits issued under the bill in fiscal 2023, and up to \$134,680 annually thereafter.

In addition, Prince George's County advises that eight Class B licensees may acquire a Sunday off-sale permit under the bill. County revenues increase by \$1,080 per additional permit issued to a Class B license. There is also an initial \$750 application fee for each permit. Assuming eight additional locations obtain a Sunday off-sale permit, revenues increase by up to \$14,640 from additional Class B permits issued under the bill in fiscal 2023, and up to \$8,640 annually thereafter.

In total, Prince George's County revenues are estimated to increase by up to \$188,320 in fiscal 2023, and up to \$143,320 annually thereafter from Sunday off-sale permits issued under the bill.

Although the bill's effective date would authorize the board to begin issuing additional Sunday off-sale permits in fiscal 2022, this estimate assumes any fiscal effect will occur beginning in fiscal 2023.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 15, 2022 fnu2/tso Third Reader - March 25, 2022

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