

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 1046

(Anne Arundel County Senators)

Finance

Economic Matters

**Anne Arundel County - Alcoholic Beverages - License Fees and Technical
Corrections**

This bill authorizes the Anne Arundel County Board of License Commissioners to increase annual fees for specified alcoholic beverages licenses in Anne Arundel County. The bill changes the gift basket permit to a gift basket *license* and clarifies that a holder of the license *may* (rather than *must*) purchase alcoholic beverages from a retail dealer. The bill also reclassifies various alcoholic beverages tasting and sampling licenses as permits and makes technical changes. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County licensing fee revenues may increase by \$323,800 beginning in FY 2025, and annually thereafter. Anne Arundel County expenditures are not affected.

Small Business Effect: Potential meaningful impact on small business restaurants, bars, and other alcoholic beverages license holders due to increased fees under the bill.

Analysis

Bill Summary/Current Law:

The bill increases various alcoholic beverages licensing fees in Anne Arundel County, generally by 35%, as shown in **Exhibit 1**.

Exhibit 1
Anne Arundel County Alcoholic Beverages License Fees
Current and Proposed Fees

<u>License Type</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
Class A Licenses			
Class A light wine	\$60	\$81	\$21
Class A beer and light wine	240	324	84
Class A beer, wine, and liquor	720	972	252
Class B Licenses			
Class B beer and light wine	480	648	168
Class B beer, wine, and liquor	1,080	1,458	378
Class C Licenses			
Class C beer and light wine	120	162	42
Class C beer, wine, and liquor	480	648	168
Class C (country and golf club)	1,800	2,430	630
Class C (country club)	750	1,012	262
Class C (fraternal/sororal) organization	400	540	140
Class C (small yacht club)	525	709	184
Class C (veterans' organization)	400	540	140
Class C (yacht club)	1,800	2,430	630
Class C per diem beer	25	34	9
Class C <i>per diem</i> beer and wine	25	34	9
Class C <i>per diem</i> beer, wine, and liquor	50	67	17
Class D Licenses			
Class D beer and light wine	480	648	168
Class D beer, wine, and liquor (on- and off-premises)	1,200	1,620	420
Class D beer, wine, and liquor (on-premises only)	1,080	1,458	378
Class H Licenses			
Class H beer and light wine	360	486	126
Class H beer, wine, and liquor	960	1,296	336
Other Licenses			
Airport Concessionaire	5,000	6,750	1,750
Barbershop and Beauty Salon beer and wine	100	135	35
Commercial Bingo	2,500	3,375	875
Entertainment Concessionaire	5,000	6,750	1,750
Entertainment Facility	15,000	20,250	5,250
Hotel-limited service beer and wine	2,400	3,240	840
Hotel-limited service beer, wine, and liquor	2,800	3,780	980
Motel/Hotel-Restaurant	3,600	4,860	1,260
Class MT (movie theater) beer and wine	1,200	1,620	420
Racetrack	25,000	33,750	8,750
Racetrack Concessionaire	5,000	6,750	1,750
Resort Complex	1,800	2,430	630

Source: Department of Legislative Services

Reclassification of Licenses

The following current county alcoholic beverages licenses are reclassified as permits under the bill: (1) Class WS wine sampling, (2) Class WT wine tasting, (3) BWT beer and wine tasting, and (4) BWLT beer, wine, and liquor tasting.

Gift Basket Permit

Under current law, the board may issue a gift basket permit which is changed to a gift basket *license* under the bill. The license authorizes the holder to sell and deliver, to consumers of a legal drinking age located in the county, gift baskets containing alcoholic beverages, as specified. The bill clarifies that a holder of the license *may* (rather than *must*) purchase alcoholic beverages from a retail dealer.

Local Revenues: Anne Arundel County estimates the increase in alcoholic beverages licensing and permit fees under the bill will increase the county's annual revenues by approximately \$323,776 beginning in fiscal 2025. The county advises that this estimate only includes the increase in annual fees.

Small Business Effect: The bill may have a potential meaningful impact on small business restaurants, bars, and other alcoholic beverages license and permit holders due to increased fees specified under the bill.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Cross File: None.

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

Fiscal Note History: First Reader - February 21, 2024
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Analysis by: Donovan A. Ham

Direct Inquiries to:
(410) 946-5510
(301) 970-5510