

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 60 (Senator Colburn)
Economic & Environmental Affairs Referred to Commerce & Government Matters

Dorchester County - Alcoholic Beverages
(Licensing)

This amended bill creates a comprehensive plan for alcoholic beverages licenses in Dorchester County. Under current law, the Dorchester County Liquor Control Board will be dissolved on October 1, 1996.

Fiscal Summary

State Effect: General fund revenues and expenditures could increase by an indeterminate minimal amount as discussed below. Offsetting Criminal Record Check Fund revenues and expenditures could also increase by indeterminate minimal amounts.

Local Effect: Dorchester County revenues and expenditures could increase by an indeterminate significant amount as discussed below.

Fiscal Analysis

Bill Summary: The bill authorizes the issuance of certain alcoholic beverages licenses in Dorchester County. These licenses include Class 6 pub-brewery; Class A light wine; Class A beer and light wine; Class C beer and light wine; Class D beer and light wine; and Class A beer, wine, and liquor. The bill also authorizes the county to issue a special festival (DBWF) license. In addition, the bill increases the fees for Class B and C beer, wine, and liquor licenses in Dorchester County from \$500 to \$1,000.

The bill also requires the Dorchester County Board of License Commissioners to obtain criminal records and fingerprints of new applicants for alcoholic beverages licenses. The county may set a fee to cover the cost of obtaining the fingerprints and criminal record checks.

In addition, the bill expands the Sunday hours during which licensees may sell certain

alcoholic beverages in the county. Further, the bill expands the applicability of the prohibition to sell alcoholic beverages within 300 feet of a church or public school from the City of Hurlock to the entire county. However, the prohibition does not apply to establishments that had licenses as of October 1, 1996.

The bill also allows a holder of a Class 7 micro-brewery license to sell at retail beer brewed under the license to customers for consumption off the licensed premises in refillable containers that are sealed by the micro-brewery licensee at the time of each refill.

The bill also provides for salaries for the Board of License Commissioners. Currently, the commissioners do not receive any compensation. Under the bill, the salaries are \$2,500 for the chairman and \$2,000 for each regular member.

Further, the bill requires the Board of License Commissioners to formally dissolve the Liquor Control Board. Currently, the Liquor Control Board would not terminate until the liquidation of the stock and distribution of all profits.

State Effect: One Class 6 pub-brewery license would probably be issued annually in Dorchester County. This license would generate a license fee of \$500, a one-time initial issuance fee of \$200, and an annual renewal fee of \$30. The first license should be issued in fiscal 1997. Because licenses are renewable May 1, the state would collect two license fees in fiscal 1997. As a result, general fund revenues would increase by \$1,230 in fiscal 1997 due to the two license fees, the issuance fee, and the renewal fee. Future year revenues would increase by \$530 annually reflecting the annual license fee and renewal fee.

The State Police charges a cost recovery fee of \$5 for fingerprinting services. To the extent applicants required to be fingerprinted obtain fingerprint cards at State Police Barracks, general fund revenues and expenditures could increase in equal amounts. Any increase cannot be reliably estimated at this time.

Depending upon the number of criminal history record checks, Criminal Record Check Fund revenues and expenditures could also increase in equal amounts. Currently, the state charges a cost recovery fee of \$42 per record check. Any increase cannot be reliably estimated at this time.

Local Effect: Dorchester County revenues could increase by an indeterminate amount due to the new licensing authority, the increase in license fees, and the authority to impose fees for criminal history checks and fingerprints. Although the revenue increase cannot be determined beforehand, the amount would be significant.

With the new licensing authority, county revenues would increase depending upon the number of licenses. The table below shows the new licenses and the proposed annual fees.

<u>License Type</u>	<u>Proposed Fees</u>
Class A light wine	\$ 50
Class A beer and light wine	250
Class A beer, wine, and liquor	2,500
Class C beer and light wine	150
Class D beer and light wine	275
special festival (DBWF)	set by board of license commissioners

In addition, the increase in the fee for a Class C beer, wine, and liquor license would generate an additional \$5,500 in fiscal 1997 based on the \$500 fee increase and the issuance of 11 licenses. Similarly, the \$500 fee increase for a Class B beer, wine, and liquor license would generate an additional \$13,000 in fiscal 1997 based on the issuance of 26 licenses. Future year revenues would depend upon the number of licenses.

Since the next term of office for Board of License Commissioners begins in January 1999, Dorchester County expenditures for commission salaries would increase by \$5,250 in fiscal 1999 and \$10,500 annually thereafter.

Dorchester County expenditures could also increase due to the costs associated with conducting criminal history checks. Although the number of new applicants cannot be determined beforehand, each check would cost the county approximately \$42. Any expenditure increase could be offset by cost recovery fees.

To the extent applicants required to be fingerprinted get them at local law enforcement offices, local expenditures could increase. Any increase would be offset by cost recovery fees.

Information Source(s): Office of the Comptroller, Dorchester County, Department of Fiscal Services

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