

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 665 (Montgomery County Delegation)

Economic Matters

Referred to Economic and Environmental Affairs

Montgomery County - Alcoholic Beverages
(Pub- and Micro-Brewery Licenses Countywide)
MC 625-96

This amended bill extends Class 6 pub-brewery alcoholic beverages licenses throughout all of Montgomery County. Currently, these licenses may only be issued in the City of Gaithersburg. The bill also includes Montgomery County in those jurisdictions where a Class 7 micro-brewery (on- and off-sale) license may be issued. In addition, a holder of a pub-brewery license or a micro-brewery license must enter into an agreement with the Department of Liquor Control for the sale and resale of malt beverages.

Fiscal Summary

State Effect: \$1,230 general fund revenue increase in FY 1997 for each new pub-brewery license issued. Out-year revenues would reflect fees for pub-brewery licenses and micro-brewery licenses.

Local Effect: None.

Fiscal Analysis

State Revenues: In fiscal 1997 Fiscal Services assumes that only pub-brewery licenses would be issued. Beginning in fiscal 1998, it is expected that pub-brewery licenses and micro-brewery licenses would be issued simultaneously. Accordingly, general fund revenues would increase by \$1,230 in fiscal 1997 for each new pub-brewery license issued. These licenses would each generate annual license fees of \$500, initial issuance fees of \$200, and renewal fees of \$30. Because licenses are renewable May 1 annually, the State would collect two license fees in fiscal 1997. As a result, general fund revenues would increase by \$1,230 for each license issued in fiscal 1997 due to the two license fees, the issuance fees, and the

renewal fees.

A Class 7 micro-brewery license would probably not be issued until fiscal 1997. This license would generate the same \$1,230 in fees as the pub-brewery license. Accordingly, general fund revenues would increase in fiscal 1998 by \$1,230 for each new micro-brewery license issued and by \$530 for each existing pub-brewery license issued. Out-year revenues would increase by \$530 annually for each existing pub-brewery license and micro-brewery license issued.

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

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