

Department of Fiscal Services
 Maryland General Assembly

FISCAL NOTE

House Bill 521 (Prince George’s County Delegation)
 Economic Matters

Prince George’s County - Alcoholic Beverages
(Numbers of Licenses)
PG 303-97

This bill increases the number of Class B alcoholic beverages licenses that can be issued in Prince George’s County. The table below compares the number of licenses that can be issued under existing law and the bill.

| Type of License | Current Law | HB 521 | Difference |
|--------------------------------|-------------|--------|------------|
| Class B beer | 17 | 23 | 6 |
| Class B beer and light wine | 35 | 38 | 3 |
| Class B beer, wine, and liquor | 164 | 170 | 6 |
| Total | 216 | 231 | 15 |

Fiscal Summary

State Effect: None.

Local Effect: Prince George’s County revenues could increase by \$20,400 in FY 1998 due to the application fees and the annual license fees, and by \$9,900 annually thereafter, which reflects only the annual license fees. Municipal corporation revenues could also increase by an indeterminate minimal amount as discussed below. Expenditures would not be affected.

Small Business Effect: Minimal effect on small businesses as discussed below.

Fiscal Analysis

Local Revenues: Prince George’s County revenues could increase by \$20,400 in fiscal

1998. This estimate reflects the annual license fees for the additional licenses and the initial application fees for the licenses. New licenses are subject to an initial application fee of \$700. The information for calculating the estimate is presented below.

| | |
|--|-----------------|
| Class B beer license (6 @ \$300) | \$1,800 |
| Class B beer and light wine license (3 @ \$300) | 900 |
| Class B beer, wine, and liquor license (6 @ \$1,200) | <u>7,200</u> |
| Total License Fees Increase | \$ 9,900 |
| Plus: | |
| Initial Application Fees (15 @ \$700) | <u>\$10,500</u> |
| Total Fiscal 1998 Revenue Increase | \$20,400 |

Out-year revenues could increase by \$9,900 annually reflecting only the annual license fees.

Under Article 2B, Section 8-101(b), municipal corporations in Prince George's County may impose an additional annual license fee, not exceeding 20% of the fee payable to the county, on holders of alcoholic beverages licenses. Data on the amount of the fees is not readily available; however, it is expected that the fees collected by the municipal corporations would be minimal.

Small Business Effect: In 1996 Prince George's County issued 212 of these licenses. Although the number of licensees that are small businesses is unknown; the vast majority of them would fall in that category. The bill increases the number of Class B licenses that could be issued in the county by 15; and it could result in the creation of new small businesses in Prince George's County. As a result, it could increase competition among existing licensees.

Information Source(s): Prince George's County, Department of Fiscal Services

Fiscal Note History: First Reader - March 3, 1997

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