Department of Fiscal Services

Maryland General Assembly

FISCAL NOTE Revised

House Bill 932 (Montgomery County Delegation)

Economic Matters Referred to Economic & Environmental Affairs

Montgomery County - Alcoholic Beverages (Bowling Alleys - Class H and Multiple Licenses) MC 714-97

This amended bill permits a restaurant located within a bowling alley to be issued a Class H beer and light wine license in Montgomery County provided the gross receipts from the sale of alcoholic beverages do not exceed the gross receipts from the sale of food. The bill also allows bowling alley operators with Class H beer and light wine licenses in the county to obtain multiple licenses if their alleys have 30 lanes or more with automated pinsetters. A bowling alley with a Class H beer license on October 1, 1997 may convert that license into a Class H beer and light wine license, without additional payment or penalty.

Fiscal Summary

State Effect: None.

Local Effect: Potential minimal revenue increase for Montgomery County as discussed below. No effect on expenditures.

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

Fiscal Analysis

Local Revenues: Currently, there are four Class H beer licenses issued to bowling alleys in Montgomery County. The bill allows these licensees to convert their Class H beer licenses into Class H beer and light wine licenses, without additional payment or penalty. The bill also allows a bowling alley to be issued a Class H beer and light wine license. To the extent that this leads to more bowling alleys seeking such licenses, revenues could increase by \$400 per license. Revenues could also increase due to the issuance of multiple Class H beer and light wine licenses to bowling alley operators. Revenues would increase by \$400 for each

additional license issued.

Small Business Effect: As mentioned above, there are four Class H beer licenses issued to bowling alleys in Montgomery County. The vast majority of bowling alleys are small businesses. These licensees may convert their Class H beer licenses into Class H beer and light wine licenses, without additional payment or penalty. Thus, small business bowling alleys could experience an increase in revenues due to the additional sale of wine. The bill also allows bowling alleys to hold multiple Class H beer and light wine licenses. To the extent that this leads to additional revenues, small business bowling alleys would benefit. These bowling alleys would also experience a minimal increase in costs due to the additional license fee (\$400). The issuance of multiple licenses could alter the competitive marketplace in the county; some bowling alleys may benefit at the expense of others.

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

Fiscal Note History: First Reader - March 5, 1997

brd Revised - House Third Reader - March 25, 1997

Analysis by: Thomas Himler Direct Inquiries to:

Reviewed by: John Rixey John Rixey, Coordinating Analyst

(410) 841-3710 (301) 858-3710