

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 58 (Delegates Bissett and Leopold)
Economic Matters

Anne Arundel County - Alcoholic Beverages (Class HDR Beer, Wine and Liquor License)

This bill creates a seven-day Class HDR (deluxe restaurant) (on-sale) beer, wine, and liquor license in Anne Arundel County. A license may only be issued to a restaurant that: (1) meets the definition of “restaurant” as set by the Board of License Commissioners; (2) has a minimum seating capacity of 150 persons for dining; (3) has a cocktail lounge or bar seating capacity not exceeding 25% of the seating capacity for dining; (4) has parking facilities to accommodate a minimum of 75 vehicles; (5) has a minimal capital investment, excluding land and building costs, of \$750,000 by the license applicant or an appraised equivalent of \$750,000 for existing facilities; and (6) is located within the Baltimore-Washington International Airport complex, the Glen Burnie Town Center, the Odenton Town Center, or the Parole Town Center. The annual license fee is \$1,500. A license entitles the holder to be open for the same number of hours and days as a Class H (on-sale) beer, wine, and liquor license.

The bill also prohibits a new Class HDR license from being issued after October 1, 2001. An individual or corporation may only hold up to three Class HDR licenses and the board may not issue more than 15 licenses.

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County revenues would increase by \$1,850 for each new Class HDR license issued due to the license fee and application fee. The Board of License Commissioners could monitor the licensees with existing resources.

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

Fiscal Analysis

Local Revenues: Anne Arundel County revenues would increase by \$1,850 for each new Class HDR license issued. Each license would generate a license fee of \$1,500 and an initial application fee of \$350. In the out-years, each license would generate only the annual license fee. At this time, the number of licenses to be issued is unknown, although Anne Arundel County advises that no more than two licenses would be issued in fiscal 1998.

Small Business Effect: Small businesses could be impacted depending upon the number of restaurants that would seek the Class HDR license. An individual or corporation may hold up to three Class HDR licenses, meaning that an existing restaurant could experience an increase in costs if it is issued an additional license due to the extra license fee. At the same time, the restaurant could experience an increase in its level of operations. The new licensing authority could also attract additional restaurants into the county. Although the number of such restaurants that are small businesses cannot be determined beforehand, the impact on small business economic activity could be meaningful.

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

Fiscal Note History: First Reader - February 21, 1997

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Analysis by: Thomas Himler

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710