

Department of Legislative Services  
Maryland General Assembly

**FISCAL NOTE**

House Bill 853 (Delegate Eckardt. *et al.*)

Economic Matters

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**Caroline County - Alcoholic Beverages - Licenses**

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This bill for Caroline County only: (1) increases the percentage of alcohol allowed by volume in light wines from 14% to 22%; (2) establishes a Class D seven-day license; (3) sets in statute the annual license fee for a six-day license at \$1,250, and a seven-day license at \$1,600; (4) authorizes the Caroline County Board of License Commissioners to issue a caterer's license; (5) increases the number of times a special license may be granted to an organization from 6 to 12 times a year; (6) increases the fee for a special license from \$10, \$15, or \$20 per day to \$50 per day; (7) changes the hours during which Class D licensees (taverns) may sell beer, wine, and liquor from 6 a.m. to 1 a.m. to 6 a.m. to 2 a.m.; and (8) permits Class D seven-day licensees (taverns) to sell beer, wine, and liquor on Sundays from 1 p.m. to midnight.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Caroline County's revenues could increase depending upon the number of licensees that apply for a caterer's license, a Class D seven-day license, or a special license. No effect on expenditures.

**Small Business Effect:** Potential meaningful impact.

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**Fiscal Analysis**

**Local Effect:** Caroline County advises that there are six six-day Class D licensees that would be eligible to apply for the seven-day license. Assuming all six licensees apply for a seven-day license, revenues would increase by \$2,100 annually based on the additional \$350 licensing fee. Caroline County estimates that five new caterer's licenses will be issued annually at a fee of \$250 per license, resulting in a revenue increase of \$1,250 annually.

Revenues could increase by an indeterminate amount as a result of increased grants of special licenses to organizations, and the increase from \$10, \$15, or \$20 per day to \$50 per day for all types of special licenses, depending on the number of organizations that apply and the number of days for which the permit is issued.

**Small Business Effect:** The bill allows Class D, beer, wine, and liquor licensees to sell alcohol from 6 a.m. until 2 a.m. and Class D seven-day licensees to sell alcohol on Sundays from 12 p.m. to midnight. There are currently six taverns in Caroline County which possess a Class D license, and could obtain a seven-day license. All of these establishments fall into the category of a small business. Revenues for these establishments would increase due to the increased hours of sale and the addition of Sunday sales should a licensee obtain a seven-day license, but would be offset to some extent by the higher costs associated with longer hours of operation. Revenues could also increase for small businesses which obtain a caterer's license by expanding opportunities for event catering involving food and alcohol.

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**Information Source(s):** Caroline County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 6, 1998

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Analysis by: Thomas Hickey

Reviewed by: John Rixev

Direct Inquiries to:

John Rixev, Coordinating Analyst

(410) 841-3710

(301) 858-3710