

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 802 (Montgomery County Delegation)

Economic Matters

**Alcoholic Beverages - Montgomery County (Kensington) - Special B-K License
MC 14-00**

This bill creates a special B-K beer, wine, and liquor license available for restaurants located in specified areas of the Town of Kensington. Licensees may only sell alcoholic beverages for on-site consumption, and 70% of the average daily receipts must come from the sale of food. Before the bill becomes law, it must be submitted to a 2000 referendum of qualified voters in the Town of Kensington. If a majority of voters submit ballots for the Act, it is effective 30 days from the election.

The bill is effective June 1, 2000.

Fiscal Summary

State Effect: None.

Local Effect: Montgomery County revenues would increase by \$3,200 for each special B-K license issued due to the licensing and application fees. The Montgomery County Board of License Commissioners could monitor licensees with existing resources. The county Board of Elections could place the referendum on the November 2000 ballot with existing resources.

Small Business Effect: Potential meaningful.

Analysis

Current Law: No alcoholic beverage licenses may be issued in the Town of Kensington except a two-day on-sale license available to specified organizations for events held at the local municipal building.

Local Revenues: Montgomery County revenues would increase by \$3,200 for each new B-K license issued in Kensington, \$2,500 for the license fee and \$700 for the initial application fee. In the out-years, each license would generate only the annual license fee of \$2,500. The exact number of special B-K licenses to be issued is unknown though Montgomery County estimates that about four establishments will apply for and receive the license during the first year that it is available. If this occurs, county revenues will increase by \$12,800 in fiscal 2001.

Small Business Effect: Small restaurant businesses existing in the designated Kensington areas could immediately profit from the new licenses, but may eventually have to compete with new restaurants entering the area. Small restaurant businesses desiring to expand into or open in Kensington would have the opportunity to acquire an alcoholic beverage license to aid in their development. If the bill results in increased traffic to the targeted areas of the town, all businesses in the vicinity could benefit.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 28, 2000
nncsjr

Analysis by: Mark Collins

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510