

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 575

(Harford County Delegation)

Economic Matters

Economic and Environmental Affairs

Harford County - Alcoholic Beverages - Class D Licenses

This bill authorizes the Harford County Liquor Control Board to issue a seven-day (on-sale) Class D license with an annual fee of \$3,000 or a seven-day (on- and off-sale) Class D license for all alcoholic beverages with an annual fee of \$4,000 to a holder of any Class B alcoholic beverages license. The Class B licensee must surrender its Class B license when it obtains a seven-day Class D alcoholic beverages license. The Harford County Liquor Control Board would determine the number of seven-day Class D licenses to be issued.

Fiscal Summary

State Effect: None.

Local Effect: Revenues would increase by \$3,000 for each seven-day (on-sale) Class D license issued, by \$4,000 for each seven-day (on- and off-sale) Class D license issued, and by \$500 for each Class B license changed to a Class D license. Revenues would decrease by a prorated amount for each Class B license surrendered. Issuing and monitoring Class D licenses could be handled with existing resources.

Small Business Effect: Potential meaningful. To the extent that current Class B licensees that are having difficulty complying with food sale requirements obtain a seven-day Class D license, which does not have food sale requirements, those businesses will remain open.

Analysis

Current Law: There are no seven-day Class D alcoholic beverages licenses in Harford County.

Background: Harford County advises that there are 100 Class B alcoholic beverages licensees. Class B licensees are required to comply with food sale requirements where the average daily receipts of food sales exceed the average daily receipts of alcoholic beverages. Harford County advises that it anticipates 14 current Class B alcoholic beverages licensees that are having difficulty meeting food sale requirements to apply for either the seven-day Class D (on-sale) license or the seven-day Class D (on- and off-sale) license.

Local Fiscal Effect: Class B licenses fees range from \$225 to \$2,875 annually. Harford County revenues could increase in fiscal 2001, but the amount of the increase depends on the type of Class D license issued and the type of Class B license surrendered. *For illustrative purposes only*, if seven existing Class B licensees apply for the seven-day Class D (on-sale) license with an annual fee of \$3,000 and seven existing Class B licensees apply for the seven-day Class D (on-and off-sale) license with an annual fee of \$4,000, and all 14 Class B licensees pay the one-time license change fee of \$500, the net revenue increase would be \$24,975.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader – March 1, 2001
ncs/hlb

Analysis by: Christopher J. Kelter

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