

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

House Bill 146
Economic Matters

(Anne Arundel County Delegation)

Education, Health, and Environmental Affairs

Anne Arundel County - Alcoholic Beverages - Multiple Licenses

This bill repeals the provision that limits the number of Class H (beer and wine) licenses in Anne Arundel County that may be issued to a person who independently owns and operates a restaurant that is part of a common franchise corporate entity. The bill specifies that a franchisor may not have a direct ownership interest in more than two alcoholic beverages licenses. The bill also authorizes the Anne Arundel County Board of License Commissioners to issue a Class H (beer and wine) license or a Class H (beer, wine, and liquor) license to the holder of a Class B license that prohibits off-premises sales who held that license on June 1, 2002 if the restaurant for which the original Class B license that has been issued or the additional Class H license to be issued meets specific geographic criteria. The license commissioners are required to define "direct ownership interest."

The bill is effective June 1, 2002.

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County revenues would increase by \$850 for each additional Class H (beer and wine) license issued and by \$1,400 for each additional Class H (beer, wine, and liquor) license issued. Anne Arundel County expenditures would not be affected.

Small Business Effect: Potential meaningful.

Analysis

Current Law: In general, a local alcoholic beverages board may not issue more than one alcoholic beverages license to, or for the use of, a person. However, there are numerous exceptions to this prohibition.

In Anne Arundel County, current holders of Class B alcoholic beverage licenses may not obtain an additional Class H (beer and wine) or Class H (beer, wine, and liquor) license. A person who independently owns and operates a restaurant that is part of a common franchise corporate entity may be issued only one Class H (beer and wine) license if the person did not hold a retail alcoholic beverages license on January 1, 2000, or may be issued one additional Class H (beer and wine) license if the person held a Class H (beer and wine) license on January 1, 2000.

Background: Chapter 95 of 2000 allows a current Class H alcoholic beverages licensee in Anne Arundel County to hold two alcoholic beverages licenses so long as the licensee meets specific license and geographic criteria. The annual fee for a Class H (beer and wine) license is \$850 (\$300 for the beer and wine license, \$50 for the Sunday-sale license, \$100 for the music license, and \$400 for the application fee). The annual fee for a Class H (beer, wine, and liquor) license is \$1,400 (\$800 for the alcoholic beverages license, \$100 for the Sunday-sale license, \$100 for a music license, and \$400 for the application fee).

Local Fiscal Effect: Anne Arundel County revenues would increase by \$850 in fiscal 2003 for each additional Class H (beer and wine) license issued and by \$1,400 for each Class H (beer, wine, and liquor) license issued in fiscal 2003.

Small Business Effect: Current Class B alcoholic beverages licensees would be positively impacted to the extent they obtain an additional Class H (beer and wine) license or an additional Class H (beer, wine, and liquor) license. Existing alcoholic beverages licensees could face additional competition. If the addition of new restaurants leads to increased commercial activity, other small businesses may also benefit.

Additional Information

Prior Introductions: A similar bill was introduced at the 2001 session as HB 1463. The bill received a favorable with amendments report from the House Economic Matters Committee. The bill passed second reading in the House, but no further action was taken on the bill.

Cross File: SB 258 (Anne Arundel County Senators) – Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - January 30, 2002
lc/hlb Revised - House Third Reader - March 21, 2002

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