

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

Senate Bill 426

(Senator Jimeno)

Education, Health, and Environmental Affairs

Economic Matters

Alcoholic Beverages - Wholesaler's Licenses

This bill repeals the prohibition against a wholesaler's licensee operating two locations in any one county or in Baltimore City.

The bill is effective July 1, 2002.

Fiscal Summary

State Effect: General fund revenues would increase for each additional location opened by an existing wholesaler licensee in a county where the license has one existing location. Revenues would increase by \$2,000 for each additional location opened under a Class 1 beer, wine, and liquor wholesaler's license, by \$1,750 for each additional location opened under a Class 2 wine and liquor wholesaler's license, by \$1,500 for each additional location opened under a Class 3 beer and wine wholesaler's license, by \$1,250 for each additional location opened under a Class 4 beer wholesaler's license, and by \$1,250 for each additional location opened under a Class 5 wine wholesaler's license. Expenditures would not be affected as monitoring of licenses could be handled with existing resources.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: A statewide wholesaler's licensee is prohibited from having two locations in any one county or in Baltimore City. A statewide wholesaler's licensee may

use additional locations in another county or Baltimore City upon the payment of a fee equal to the cost of the original license for each additional location. The fee for a Class 1 beer, wine, and liquor wholesaler's license is \$2,000, \$1,750 for a Class 2 wine and liquor wholesaler's license, \$1,500 for a Class 3 beer and wine wholesaler's license, \$1,250 for a Class 4 beer wholesaler's license, and \$1,250 for a Class 5 wine wholesaler's license.

Background: The Comptroller of the State of Maryland issues wholesaler's licenses throughout the State. As of April 30, 2001 there were 83 wholesaler's licensees in the State of Maryland: there were 28 wholesaler's licenses issued for beer, 23 for beer, wine, and liquor, 13 for wine, 11 for wine and liquor, and 8 for beer and wine. The Comptroller advises that it is not known how many additional locations might open by wholesalers taking advantage of the repeal of the prohibition against a wholesaler's licensee from having two locations in one county or Baltimore City.

Small Business Effect: Small businesses that are licensed alcoholic beverages wholesalers could be positively impacted by having two or more locations in a county. However, additional competition by wholesalers with two locations in one county could negatively impact other small business wholesalers. Additionally, a merger of two small business wholesalers with existing locations in the same county would not be required to close one location, consolidate both locations to one existing location, or move both locations to a new location in the same county.

Additional Information

Prior Introductions: None.

Cross File: HB 348 (Delegate Love, *et al.*) – Economic Matters.

Information Source(s): Wicomico County, Allegany County, Montgomery County, Prince George's County, Talbot County, Anne Arundel County, Baltimore City, Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2002
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