

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

House Bill 126
Economic Matters

(Delegate Cane, *et al.*)

Education, Health, and Environmental Affairs

Wicomico County - Alcoholic Beverages - Licenses, Sales, and Wine Festival

This bill makes numerous changes to alcoholic beverages law in Wicomico County and provides for the issuance of a special Wicomico County Wine Festival (WCWF) license.

The bill is effective June 1, 2003.

Fiscal Summary

State Effect: None.

Local Effect: Wicomico County revenues would increase by \$275 for each Class D tavern beer, wine, and liquor license issued, by \$1,100 for each new Class B – Conference Center license issued, and by \$25 for each day the special WCWF wine festival license privilege is exercised. Expenditures would not be affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: This bill: (1) increases from \$1,925 to \$2,200 the license fee for a Class D tavern beer, wine, and liquor license in Wicomico County and adds Sunday sale privileges to the license; (2) repeals the eligibility requirement for a Class B – Conference Center to be located west of Maryland Route 13 and north of the city limits of Salisbury; and (3) repeals the prohibition on Sunday off-sale privileges for a Class B beer hotel and restaurant license, a Class B beer and light wine hotel and restaurant license, and a 7-day Class D beer and light wine license.

The bill also authorizes the Wicomico County Board of License Commissioners to issue a special WCWF wine festival license to a holder of an existing State retail alcoholic beverages license, a State Class 3 Winery license, or a State Class 4 Limited Winery license. The special wine festival licensee must display and sell wine that is manufactured and processed in any state, price filed in accordance with the Comptroller's regulations, and distributed in Maryland at the time the application is filed. The special wine festival licensee must display and sell wine at retail for consumption on or off the licensed premises on the days and for the hours designated for the wine festival. The license fee is set at \$25 per day. The Wicomico County Board of License Commissioners must choose one weekend, Friday through Sunday inclusive, annually for the wine festival at a location in Wicomico County that does not hold an alcoholic beverages license and ensure that the primary focus of the festival is the promotion of Maryland wine.

Current Law: The annual license fee for a Class D tavern beer, wine, and liquor license is \$1,925 with sale privileges from Monday through Saturday. A Class B – Conference Center must be located west of Maryland Route 13 and north of the city limits of Salisbury. Class B beer hotel and restaurant licenses, Class B beer and light wine hotel and restaurant licenses, and 7-day Class D beer and light wine licenses are prohibited on Sundays from selling alcoholic beverages for off-premises consumption. There is no special Class WCWF wine festival license in Wicomico County.

Special wine festival licenses may be issued in Calvert, Carroll, Garrett, Harford, Howard, St. Mary's, Somerset, and Washington counties and Baltimore City. The terms and conditions of the festival license for Wicomico County under the bill are nearly identical to those for the existing wine festival licenses in other jurisdictions.

Background: The annual license fee for a Class D tavern beer, wine, and liquor license was last changed in 1994 (Chapter 726 of 1994) when the fee was increased from \$1,700 to \$1,925. Wicomico County advises that only one conference center is currently operating in the area authorized by current law.

Local Fiscal Effect: Wicomico County revenues would increase by \$275 for each Class D tavern beer, wine, and liquor license issued. Wicomico County advises that currently there are four Class D tavern beer, wine, and liquor licensees. Assuming all four licensees renew their licenses for fiscal 2004, county revenues would increase by \$1,100 annually.

County revenues would increase by \$1,100 for each Class B – Conference Center license issued. Assuming one additional conference opens and is issued a Class B – Conference Center license, county revenues would increase by \$1,100 annually.

County revenues would increase by \$25 for each day a special WCWF license is used. Assuming a special WCWF license is utilized for the maximum three days under the provisions of this bill, county revenues would increase by \$75 annually.

Repealing the prohibition on Sunday off-sale privileges for Class B beer hotel and restaurant licensees, Class B beer and light wine hotel and restaurant licensees, and 7-day Class D beer and light wine licensees would not impact county finances.

Accordingly, *for illustrative purposes only*, assuming all four existing Class D tavern beer, wine, and liquor licensees renew their licenses, one additional conference center opens in the county, and the special WCWF wine festival license is used for the maximum three days, Wicomico County revenues would increase by \$2,275 in fiscal 2004.

Additional Information

Prior Introductions: None.

Cross File: SB 468 (Senator Colburn) – Education, Health, and Environmental Affairs.

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

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ncs/jr

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