

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 561

(Montgomery County Delegation)

Economic Matters

Education, Health, and Environmental
Affairs

**Montgomery County - Alcoholic Beverages - Restaurants - East County License
MC 403-04**

This bill authorizes the Montgomery County Board of License Commissioners to issue an East County Class B (restaurant) beer, wine, and liquor (on-sale) license.

The bill takes effect June 1, 2004.

Fiscal Summary

State Effect: None.

Local Effect: Montgomery County revenues would increase by \$2,500 annually for each East County Class B (restaurant) beer, wine, and liquor (on-sale) license issued, by \$700 for each initial application, and by \$75 for each renewal. Expenditures would not be affected.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The bill authorizes the Montgomery County Board of License Commissioners to issue an East County Class B (restaurant) beer, wine, and liquor (on-sale) license to a current holder of a Class B license in the 2nd, 3rd, 4th, 6th, 7th, 8th, 9th, 10th, or 13th election districts (the original license). The requirement that a holder of an original license seeking an East County license must have held the original license for

one year is not applicable. The East County license will count as one of the two additional “incentive” licenses and one of the six total licenses that a holder of an original license may obtain. The bill specifies the geographic region for an East County license to be an area bounded by the Howard County-Montgomery County line on the north, the Prince George’s County-Montgomery County line on the east, the Capital Beltway (I-495) on the south, and a line 3,000 feet west of Columbia Pike on the west.

Current Law: There is no East County Class B (restaurant) beer, wine, and liquor (on-sale) license in Montgomery County. The Montgomery County Board of License Commissioners is authorized to issue to a current holder of a Class B license in the 2nd, 3rd, 4th, 6th, 7th, 8th, 9th, 10th, or 13th election districts additional Class B licenses that are specific to other geographic areas throughout the county. Furthermore, the board is authorized to issue Class B licenses within the area defined as East County by this bill.

The board is authorized to issue as many as six Class B alcoholic beverages licenses to current holders of Class B licenses if certain investment, seating capacity, and location requirements are met.

Applicants for an “incentive” license must have their place of business in the State, operate a restaurant as defined by regulations of the board, and hold one of the six specified licenses that has geographic requirements.

Background: The annual license fee for a Class B (restaurant) beer, wine, and liquor license in Montgomery County is \$2,500. Additionally, there is a one-time application fee of \$700 and a \$75 administrative renewal fee.

Local Fiscal Effect: Montgomery County revenues would increase by \$3,200 for each new East County Class B (restaurant) beer, wine, and liquor (on-sale) license issued and by \$2,575 for each such renewal license issued. Montgomery County advises that it anticipates two East County licenses to be issued. Accordingly, Montgomery County revenues would increase by \$6,400 in fiscal 2005 which includes two annual license fees (\$5,000) and two application fees (\$1,400). County revenues would increase by \$5,150 annually beginning in fiscal 2006 which includes two annual license fees (\$5,000) and two administrative renewal fees (\$150).

The county could monitor the new licensees with existing resources.

Small Business Effect: Small businesses in Montgomery County that are current holders of an original license who wish to open a restaurant or serve alcoholic beverages at an existing restaurant in the East County region would be positively impacted. Existing alcoholic beverages licensees in the East County region could face additional

competition. If the addition of new restaurants leads to increased commercial activity, other small businesses in the vicinity of the new restaurant may also benefit.

Any restaurant establishment that does not hold an alcoholic beverages license would not be able to seek an East County license; these restaurants could be negatively impacted.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 5, 2004
n/ljm

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