

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 592 (Prince George's County Delegation)
Economic Matters

Prince George's County - Laurel Area - Additional Class B Beer, Wine and
Liquor Licenses
PG 333-04

This bill authorizes an individual or business entity to have an interest in more than one Class B beer, wine, and liquor license if the restaurant for which the license is sought is in a specified area of Laurel. The bill also increases to seven the maximum number of alcoholic beverages licenses that may be held by a Class B beer, wine, and liquor licensee in specified areas of Prince George's County underserved by restaurants.

The bill takes effect June 1, 2004.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues would increase by \$3,200 for each Class B beer, wine, and liquor license issued and by \$2,500 for each license renewed. City of Laurel revenues would increase by \$500 for each additional license issued or renewed in the area specified by the bill.

Small Business Effect: Potential meaningful. Small businesses beginning operations as a restaurant in areas underserved by restaurants could be positively impacted.

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, one person. However, there are

numerous exceptions to this prohibition. The Prince George's County Board of License Commissioners is authorized to issue more than one Class B beer, wine, and liquor license to an individual, partnership, corporation, unincorporated association, or limited liability company if the restaurant for which the license is sought is located in an area underserved by restaurants. The holder of a Class B license may hold up to four Class B beer, wine, and liquor licenses for use in specified areas underserved by restaurants.

A current license holder may be issued or transferred a fifth or sixth Class B beer, wine, and liquor license for use in specified areas underserved by restaurants if the date of application for the fifth or sixth license is at least one year after the date the current license holder was issued the previous license.

The initial application fee in Prince George's County for an alcoholic beverages license is \$700. The annual license fee is \$2,500 for a Class B beer, wine, and liquor license.

Municipal corporations in Prince George's County may impose an additional annual license fee, not exceeding 20% of the annual license fee payable to the county, on holders of alcoholic beverages licenses.

Background: Areas underserved by restaurants in Prince George's County include specified areas in the Suitland business district, the Port Towns business district, and the Largo region.

Local Fiscal Effect: Prince George's County advises that it expects only two additional Class B beer, wine, and liquor licenses to be issued in Laurel. The number of licenses that will be issued by raising the maximum number of licenses that may be held if the licenses are issued for areas underserved by restaurants cannot be reliably estimated at this time. In any event, Prince George's County revenues would increase by \$3,200 for each new Class B beer, wine, and liquor license issued under the bill which accounts for the one-time application fee (\$700) and the annual license fee (\$2,500). County revenues would increase by \$2,500 for each additional license renewed each year thereafter.

The City of Laurel advises that it charges an annual license fee of 20% as allowed under current law for each alcoholic beverages license issued in the city's limits. Accordingly, its revenues would increase by \$500 for each Class B beer, wine, and liquor license issued in the area specified by the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County, Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2004
mll/jr

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