

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 593 (Prince George's County Delegation)
Economic Matters

Prince George's County - Alcoholic Beverages - Micro-Breweries in Laurel
PG 335-04

This bill authorizes the Comptroller to issue a Class 7 micro-brewery (on- and off-sale) license to a Class D alcoholic beverages licensee located in a specified area of the City of Laurel of Prince George's County.

The bill takes effect June 1, 2004.

Fiscal Summary

State Effect: General fund revenues would increase by \$700 for each Class 7 micro-brewery (on- and off-sale) license issued and by \$530 for each renewal. Monitoring new micro-brewery licensees could be handled with existing resources.

Local Effect: None. Allowing a Class D license holder to obtain a Class 7 micro-brewery license would not directly affect Prince George's County finances.

Small Business Effect: Potential meaningful. Existing Class D licensees in the specified area of the City of Laurel could be positively impacted by expanding their business to include a micro-brewery.

Analysis

Current Law: The Comptroller may issue a Class 7 micro-brewery license in Allegany, Anne Arundel, Baltimore, Calvert, Carroll, Charles, Dorchester, Frederick, Garrett, Harford, Howard, Montgomery, Prince George's, and Talbot counties, Baltimore City, and the City of Annapolis to a holder of a Class B beer, wine, and liquor (on-sale)

license. In addition, in Prince George's County, the Comptroller may issue a Class 7 micro-brewery license to the holder of a Class D alcoholic beverages licensee in the 22nd alcoholic beverages district.

Background: Chapter 406 of 1994 authorized the Comptroller to issue Class 7 micro-brewery licenses in Prince George's County. The Comptroller has issued one Class 7 micro-brewery license in Prince George's County which has been issued for the 22nd alcoholic beverages district (Hyattsville).

In Prince George's County, the hours and days of sale for a Class D alcoholic beverages licensee are from 6 a.m. to 2 a.m. the following day every day of the week.

All fees for State issued alcoholic beverages licenses are due May 1 of each year. Fees for a Class 7 micro-brewery license include a one-time application fee of \$200, an annual license fee of \$500, and an annual renewal fee of \$30.

State Fiscal Effect: Prince George's County advises that it does not expect any existing Class D license holders in the specified area of Laurel to seek a Class 7 micro-brewery license. Because starting a micro-brewery involves substantial investment and lead time to begin operations, it is unknown when a Class 7 micro-brewery license would be issued.

In any event, general fund revenues would increase by \$700 annually for each Class 7 micro-brewery license issued in the specified area of Laurel. This includes an annual license fee of \$500 and a one-time application fee of \$200. General fund revenues would increase by \$530 annually in subsequent years which includes an annual license fee of \$500 and an annual renewal fee of \$30.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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

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