

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 901
Economic Matters

(Harford County Delegation)

Education, Health, and Environmental
Affairs

Harford County - Alcoholic Beverages - License Fees

This bill increases alcoholic beverages license fees in Harford County and authorizes the Harford County Liquor Control Board to issue Class C-1, 2, and 3 beer and light wine licenses as well as Class C-1, 2, and 3 beer, wine, and liquor licenses. The bill is applicable to the annual licensing period that begins on May 1, 2006.

Fiscal Summary

State Effect: None.

Local Effect: Harford County alcoholic beverages license fee revenues could increase by up to \$54,900 annually, beginning with the annual licensing period that begins on May 1, 2006. Expenditures would not be affected.

Small Business Effect: Potential minimal increase in small business expenditures due to the increases in alcoholic beverages license fees. License fee increases range from \$5 for a Special WF (wine festival) license to \$1,300 for a Class GC (golf course) license.

Analysis

Bill Summary: Harford County alcoholic beverages license fee changes are shown in **Exhibit 1**.

A Class C-1 beer and light wine license may only be issued to a nonprofit organization that is organized for patriotic or war veterans' purposes. A Class C-2 beer and light wine license may be issued to a nonprofit organization organized for fraternal purposes. A

Class C-3 beer and light wine license may be issued to a nonprofit organization organized for social, educational, or athletic purposes. To qualify for any of these three licenses, an organization must have held regular meetings at an established headquarters for one year prior to applying for the license, as well as meet other specific requirements.

A Class C-1 beer, wine, and liquor license may only be issued to a war veterans' organization. A Class C-2 beer, wine, and liquor license may only be issued to a chapter or lodge of a nationally chartered fraternal organization. A Class C-3 beer, wine, and liquor license may only be issued to a country club, racquet club, indoor soccer box lacrosse club, yacht or boat club, or topiary garden.

Alcoholic beverages license fees for veterans' organizations are not increased as a result of the bill.

Current Law: Alcoholic beverages license fees may only be changed through legislative process. Current license fees, for those licenses whose fees are increased, are shown in Exhibit 1.

Local Fiscal Effect: Harford County annual license fee revenues could increase by up to \$54,860 beginning on May 1, 2006. This estimate does not include totals for those bills which are not issued on an annual basis. Exhibit 1 shows the number of annual licenses currently issued for each classification whose fees are changed by the bill, as well as the total fee increase for each classification.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 4, 2005
n/ljm

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Exhibit 1
Harford County Alcoholic Beverages License Fee Changes

<u>License</u>	<u>Current Fee</u>	<u>New Fee</u>	<u>Difference</u>	<u>Number of Licenses</u>	<u>Revenue Increase</u>
Class A - w	\$50	\$100	\$50	1	\$50
Class A - b, w					
Six-day	125	625	500	2	1,000
Seven-day	250	850	600	14	8,400
Class A-1 off-sale b, w, l					
Seven-day	1,250	1,470	220	38	8,360
Class A-2 off-sale b, w, l					
Six-day	800	980	180	0	0
Class B b, w, l					
Six-day restaurant	1,600	1,720	120	0	0
Six-day restaurant*	1,950	2,070	120	0	0
Six-day hotel	2,100	2,260	160	0	0
Seven-day restaurant	1,975	2,145	170	35	5,950
Seven-day restaurant*	2,425	2,595	170	3	510
Seven-day hotel	2,475	2,685	210	4	840
Class B-1 restaurant					
Six-day b, w	225	350	125	0	0
Six-day b, w, l*	575	700	125	1	125
Seven-day b, w	350	500	150	13	1,950
Seven-day b, w, l*	800	950	150	0	0
Class B-2 restaurant					
Six-day b, w	300	500	200	0	0
Six-day b, w, l*	650	850	200	0	0
Seven-day b, w	425	700	275	1	275
Seven-day b, w, l*	875	1,150	275	0	0
Class B-3 restaurant					
Six-day restaurant b, w, l	2,000	2,050	50	3	150
Six-day restaurant b, w, l*	2,350	2,400	50	0	0
Seven-day restaurant b, w, l	2,375	2,435	60	1	60
Seven-day restaurant b, w, l*	2,825	2,885	60	2	120
Class B-3 hotel					
Six-day hotel b, w, l	2,500	2,620	120	0	0
Six-day hotel b, w, l*	2,850	2,970	120	0	0
Seven-day hotel b, w, l	2,875	3,045	170	1	170
Seven-day hotel b, w, l*	3,325	3,495	170	0	0
Class B-4 on-sale seafood restaurant					
Seven-day	350	500	150	0	0
Class BNR	2,000	3,000	1,000	17	17,000
Class C-1 b, w					
Six-day	150	150	0	0	0
Seven-day	225	225	0	0	0
Class C-2 b, w					
Six-day	150	350	200	0	0
Seven-day	225	425	200	0	0
Class C-3 b, w					
Six-day	150	450	300	0	0
Seven-day	225	525	300	0	0

Class C-1 b, w, l						
Six-day						
50-99 members	350	350	0	0	0	0
100-250 members	600	600	0	0	0	0
251-450 members	850	850	0	0	0	0
More than 450	1,000	1,000	0	0	0	0
Seven-day						
50-99 members	450	450	0	2	0	0
100-250 members	700	700	0	6	0	0
251-450 members	950	950	0	1	0	0
More than 450	1,100	1,100	0	4	0	0
Class C-2 b, w, l						
Six-day						
100-250 members	600	800	200	0	0	0
251-450 members	850	1,050	200	0	0	0
More than 450	1,000	1,200	200	0	0	0
Seven-day						
100-250 members	700	900	200	1	200	200
251-450 members	950	1,150	200	3	600	600
More than 450	1,100	1,300	200	1	200	200
Class C-3 b, w, l						
Six-day**	1,000	1,300	300	0	0	0
Seven-day**	1,100	1,400	300	3	900	900
Special Class C b, w	10/day	15/day	5/day			
Special Class C b, w, l	20/day	30/day	10/day			
Special Class C b, w (fire)						
10 events per year	100	150	50			
20 events per year	200	300	100			
30 events per year	300	450	150			
40 events per year	400	600	200			
Class GC (golf course) b, w, l	2,200	3,500	1,300	5	6,500	6,500
Class H b, w, l (caterer)	750	1,500	750	2	1,500	1,500
Special WF (wine festival)	15	20	5			
Total Revenue Increase¹						\$54,860

Note: b=beer, w=wine, l=liquor.

¹Does not include license fee revenues from nonannually issued licenses.

*Denotes off-sale privilege.

**Denotes current fee as advised by Harford County Liquor Control Board.