

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 442

(Montgomery County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

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**Montgomery County - Alcoholic Beverages - Additional Licenses in Designated  
Enterprise Zones  
MC 506-05**

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This bill extends the ability of an alcoholic beverages licensee to obtain an additional Class B beer, wine, and liquor on-sale only license within a designated enterprise zone in Montgomery County even after the business incentives and initiatives have been reduced or eliminated.

The bill takes effect June 1, 2005.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Montgomery County revenues would increase by \$2,500 for each additional Class B beer, wine, and liquor on-sale only license issued, plus a one-time \$700 application fee for each license issued.

**Small Business Effect:** Potential minimal. The bill may allow some small businesses to obtain an additional Class B beer, wine, and liquor on-sale only license.

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**Analysis**

**Current Law:** A licensee may obtain not more than two additional Class B beer, wine, and liquor on-sale only licenses within a designated enterprise zone. Furthermore, an area may only be designated an enterprise zone for 10 years. Therefore, at the end of the

10-year period, a licensee may not obtain additional Class B beer, wine, and liquor on-sale only licenses.

**Background:** Enterprise zones are those areas designated by the Maryland Secretary of Business and Economic Development as an “enterprise zone” or designated by the United States government as an “enterprise zone” or an “empowerment zone.” In general, enterprise zones are economically depressed areas characterized by above-average unemployment and low-income households. Generally, areas are designated as enterprise zones so that incentives may be given to businesses to spur economic development. This bill seeks to extend the benefits of obtaining an additional Class B beer, wine, and liquor on-sale only license past the expiration of the enterprise zone designation in Montgomery County. There are three enterprise zones in Montgomery County: Silver Spring, Wheaton, and Long Branch/Takoma Park. The enterprise zone for Silver Spring is set to expire in 2006; the Wheaton enterprise zone expires in 2008; and the Long Branch/Takoma Park enterprise zone expires in 2013.

**Local Fiscal Effect:** Montgomery County advises that, while it is difficult to anticipate the number of licensees that would apply for an additional Class B beer, wine, and liquor on-sale only license as a result of this bill, it expects the number of license applicants to be relatively low. For each license there is a \$2,500 license fee and a one-time application fee of \$700 for advertising and administrative costs. Monitoring of the additional licenses could be handled with existing resources.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 3, 2005  
ncs/ljm Revised - Updated Information - March 28, 2005

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