

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 375

(Harford County Delegation)

Economic Matters

Education, Health, and Environmental
Affairs

Harford County - Alcoholic Beverages - Special Class B (Inn) License -
Modifications

This bill repeals the authority of the Harford County Liquor Control Board to issue a special Class B (Inn) on-sale beer and light wine license, and instead authorizes it to issue a 7-day special Class B (Inn) on-sale beer, wine, and liquor license.

The bill is effective July 1, 2005.

Fiscal Summary

State Effect: None.

Local Effect: Harford County license fee revenues would increase annually beginning in FY 2006 by \$2,500 for each license issued to an establishment with 11 to 24 guest rooms, and by \$3,295 for each license issued to an establishment with more than 25 guest rooms, as well as by \$500 for each new license issued for an application fee. Harford County license fee revenues would decrease by \$950 for each Class B (Inn) on-sale beer and light wine license it would not longer be authorized to issue. Expenditures would not be affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: To qualify for the issuance of a special Class B (Inn) on-sale beer, wine, and liquor license, the applicant must be approved to operate an inn, have a minimum of 11 guest rooms for accommodation, have a seated dining capacity to accommodate overnight guests, and have a kitchen facility that has been approved by the local governing authority. The holder of this license may sell, only with a meal, alcoholic beverages to guests for consumption on the premises, or to individuals dining at the inn, and within certain parameters. Additionally, the licensee is authorized to sell alcoholic beverages for on premises consumption at catered events, provided that the licensee is under contract to cater the event. Alcoholic beverages may not be sold, however, to an individual who is registered as a guest for the sole purpose of obtaining alcoholic beverages.

The annual fee for this license is \$2,500 for an establishment that has between 11 and 24 guest rooms and \$3,295 for an establishment that has more than 25 guest rooms. The liquor control board has the authority to adopt regulations, as necessary, for the implementation of the special Class B (Inn) on-sale beer, wine, and liquor license.

Current Law: Harford County is authorized to issue a special Class B (Inn) on-sale beer, and light wine licenses to an historic inn. These inns are required to be in an historic structure, approved by the appropriate authority to be an inn, have between 4 and 10 guest rooms, have a seated dining capacity for up to 40 patrons, and have an approved kitchen facility. Beer and light wine may only be served with a meal. The annual fee for this license is \$950.

Local Fiscal Effect: Harford County advises that it expects to issue one license as a result of this authority. Harford County advises that it currently issues one Class B (Inn) on-sale beer and light wine license at an annual fee of \$950 to an inn that has expanded past the 10-room limit for the Class B (Inn) on-sale beer and light wine license. It anticipates that this licensee will apply for the license authorized by this bill and qualify for the \$2,500 license fee. If this is the case, then county revenues would increase by \$1,550, the difference between the fee for the old license and the new license. Future revenues would increase to the extent that new inns who qualify for a Class B (Inn) on-sale beer, wine, and liquor license open in Harford County and purchase a license. Monitoring of these licenses can be handled with existing resources.

Small Business Effect: Annual license fees would increase by \$1,550 for the holder of an existing Class B (Inn) on-sale beer and light wine license if it obtains a Class B (Inn) on-sale beer, wine, and liquor license. Only one establishment would be immediately affected by this bill; however, the bill would permit it to sell liquor in addition to the alcoholic beverages it currently sells.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 3, 2005
n/ljm

Analysis by: Joshua A. Watters

Direct Inquiries to:
(410) 946-5510
(301) 970-5510