

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 377
Economic Matters

(Harford County Delegation)

Education, Health, and Environmental
Affairs

Harford County - Alcoholic Beverages - Class B-BB (Bed and Breakfast) License

This bill creates a 7-day Class B-BB (Bed and Breakfast) on-sale beer, wine, and liquor license and authorizes the Harford County Liquor Control Board to issue this license to qualifying establishments.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: None.

Local Effect: Harford County revenues could increase by \$1,000 annually for each license issued beginning in FY 2006, as well as a one-time application fee of \$500. Expenditures would not be affected.

Small Business Effect: Minimal overall, but potential meaningful for bed and breakfasts in Harford County.

Analysis

Bill Summary: To qualify for a Class B-BB license the holder's business must provide services that are ordinarily provided at a bed and breakfast, have from 1 to 10 rooms for overnight guest accommodation, be approved by the local authority to operate the business as a bed and breakfast, and have an approved kitchen facility.

The licensee may sell alcoholic beverages for consumption on the premises within certain parameters, and only to a guest whose name appears on the registry, and is an occupant of a room in the bed and breakfast. The bed and breakfast may not sell alcoholic beverages to an individual who is a registered guest for the sole purpose of obtaining alcoholic beverages. Additionally, the bed and breakfast may sell or provide alcoholic beverages to a catered event, provided that the licensee is under contract to cater the event and that food is served.

The annual license fee is \$1,000 and the Harford County Liquor Control Board may adopt regulations, as necessary, to implement the issuance of this license.

Current Law: Harford County is authorized to issue Class B on-sale beer, wine, and liquor licenses to hotels, motels, and restaurants, with some restrictions. Hotels and motels must have more than 25 rooms for guest accommodation, a lobby with a registration, mail desk, seating facilities, and a dining room which serves full course meals at least twice daily.

Other counties are authorized to issue a Class B (Bed and Breakfast) on-sale beer, wine, and liquor license, including Charles, Frederick, Garrett, and Kent.

Local Fiscal Effect: Harford County advises that up to four bed and breakfasts in Havre de Grace would be interested in purchasing a Class B on-sale beer, wine, and liquor license. Assuming all four of these establishments qualify and purchase these licenses, county revenues would increase by \$4,000 annually, beginning in fiscal 2006. Monitoring of the new licenses can be handled with existing resources.

Small Business Effect: Potential positive impact for bed and breakfasts in Harford County that would be able to purchase a license to allow them to sell alcoholic beverages to their overnight guests and patrons at catered events.

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