

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 532

(Delegates Bozman and Conway)

Economic Matters

Education, Health, and Environmental
Affairs

Worcester County - Alcoholic Beverages - Class D Licenses

This bill changes certain geographical boundary restrictions for Class D beer, wine, and liquor licenses in Worcester County. The bill also specifies that the county may not set the fee for a 6-day Class D license below \$3,000. The fee for a 7-day Class D license may not be less than \$3,500.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: None.

Local Effect: Worcester County license revenues could increase by \$33,600 annually from additional Class D licenses.

Small Business Effect: Potential meaningful to the extent that additional businesses would be able to obtain a Class D liquor license that currently cannot do so.

Analysis

Current Law: The Worcester County Commissioners regulate the alcoholic beverages license fees in the county. Changes in alcoholic beverages license fees become effective with the passage and approval of the county budget. All alcoholic beverages license fees must go to the county's general fund; however, if the licensed premises are in a municipal corporation, 75% of the fees go to that municipal corporation.

Background: Chapter 692 of 1985 granted prevailing authority to the Worcester County Board of License Commissioners to set license fees without General Assembly approval. No other jurisdiction has the authority to set alcoholic beverages license fees without General Assembly approval.

The procedure for changing alcoholic beverages license fees with the passage and approval of the county budget has been in place since fiscal 1986, but the updated license fees have not been codified in Article 2B of the Annotated Code of Maryland since fiscal 1991.

Local Revenues: According to Worcester County, the change in geographical boundaries means eight additional Class D licenses can be issued. The county currently assesses a license fee of \$4,200 for a Class D license. If the county were to issue all of the eight new licenses, county revenues would increase by \$33,600 annually.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 2, 2006
ncs/hlb

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