

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 443

(Harford County Senators)

Education, Health, and Environmental Affairs

Economic Matters

**Harford County - Alcoholic Beverages - Class B (Inn) License and Class BFD
(Fine Dining) License**

This bill authorizes the Harford County Liquor Control Board to issue a special Class BFD (fine dining) on-sale beer, wine, and liquor license which allows license holders to serve only dinner at least five days a week. The bill also allows a holder of a Class B (inn) on-sale beer, wine, and liquor license issued after March 6, 2006 to sell beer and wine from the dining room to guests for consumption off the premises, if the holder previously held a Class B (restaurant) license permitting sale of beer and wine for off-premises consumption.

The bill takes effect June 1, 2006.

Fiscal Summary

State Effect: None.

Local Effect: Harford County revenues could increase due to the collection of additional fees from new or upgraded licensees. It cannot be accurately estimated how much additional revenue might be generated.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: A Class BFD licensee may not open later than 5 p.m. and must comply with requirements applicable to some Class B (on-sale) beer and light wine licenses

available to restaurants in Harford County, including that it must have sufficient food on the premises for the regular serving of meals, and the average gross monthly receipts from the sale of food cooked or prepared and served on the premises must be more than \$1,500 or 50% of the average monthly receipts from the sale of beer and wine. The annual fee for a 6-day license (Monday through Saturday) is \$2,500 and the annual fee for a 7-day license is \$2,900.

The Liquor Control Board must adopt regulations to carry out the bill's requirements.

Current Law: Various Class B beer and light wine and Class B beer, wine, and liquor licenses are available in Harford County. Different requirements, including those regarding the sale of food, apply to different licenses generally depending on the type of restaurant or how long the restaurant has been in business. These licensees generally are required to serve full-course meals at least twice daily and have a regular seating capacity for 60 or more persons. License fees vary from \$350 to \$700 for beer and light wine licensees and the fee for a standard, 7-day beer, wine, and liquor license is \$2,145 (effective May 1, 2006).

A Harford County Class B (inn) on-sale beer, wine, and liquor license holder's establishment generally must have 11 rooms or suites available to the public and a sufficient seated dining capacity to accommodate overnight guests and dinner patrons who are participating in regular meals and specified special dinner events on the premises. The license fee is \$2,500 for an inn that has 11 through 24 rooms or suites, and \$3,295 for an inn that has 25 or more rooms or suites.

In general, a holder of a Class B (restaurant) on-sale beer, wine, and liquor license may keep for sale and sell alcoholic beverages for consumption on the licensed premises or elsewhere.

A Class B (restaurant) on-sale beer, wine, and liquor license holder in Harford County, whose license was issued prior to July 1, 1984, may sell beer and wine for consumption on and off-sale (generally meaning for consumption off the licensed premises), in accordance with off-sale conditions applicable to Class B (restaurant) on-sale beer and wine license holders. A holder of a Class B (restaurant) on-sale beer and wine license issued prior to July 1, 1984 in Harford County, may sell off-sale "fermented beverages including split bottles and brewed beverages." A holder of a Class B (restaurant) license issued after July 1, 1984 is prohibited from selling off-sale alcoholic beverages.

Local Fiscal Effect: Revenues could increase due to additional license fees from new licensees or increased fees from current Class B license holders that apply for a Class BFD license or a Class B (inn) license. It cannot be estimated how many persons or

businesses would apply for the new Class BFD license. The Harford County Liquor Control Board advises that at least one current Class B (restaurant) beer, wine, and liquor license holder likely would apply for a Class B (inn) license and possibly more.

Small Business Effect: The bill would allow small business fine dining restaurants to locate in Harford County.

Additional Information

Prior Introductions: None.

Cross File: HB 480 (Harford County Delegation) – Economic Matters.

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

Fiscal Note History: First Reader - March 5, 2006
mll/hlb Revised - Enrolled Bill - May 5, 2006

Analysis by: Scott D. Kennedy

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