

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1454 (Anne Arundel County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

Anne Arundel County - Alcoholic Beverages - Deluxe Restaurant License

This bill creates a 7-day Class BLX (deluxe restaurant) (on-sale) beer, wine, and liquor license in Anne Arundel County.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County expenditures would increase by \$13,300 in FY 2007 and by \$10,300 annually thereafter. Revenues could increase due to the collection of additional license and application fees.

Small Business Effect: Minimal.

Analysis

Bill Summary: A Class BLX license may only be issued to an establishment that:

- qualifies as a restaurant under the regulations of the Anne Arundel County Board of License Commissioners;
- has a minimum seating capacity of 100 persons for dining;
- has a cocktail lounge or bar area not exceeding 25% of the seating capacity for dining;

- has parking facilities to accommodate a minimum of 75 vehicles;
- has a minimum capital investment by the applicant of \$800,000, exclusive of the land and buildings; and
- is not a fast-food style restaurant.

Guidelines are set forth in the bill to determine the amount of the capital investment by the applicant. The annual license fee is \$1,000.

A licensee may not hold more than six licenses of any class and may not hold a direct interest in more than four of those licenses. A licensee's first license may be a Class B, Class H, or Class BLX license for a restaurant anywhere in the county. A licensee's second license, if the licensee holds a Class B license that has a restriction prohibiting off-sales, a Class H license, or a Class BLX license, can be a Class H or Class BLX license, but is restricted to certain areas of the county or specific types of locations. Remaining licenses within the six license limit must be Class BLX licenses and some of the licenses are subject to restrictions relating to areas of the county and specific locations of the place of the business to which the license is issued.

Licenses issued on or before June 30, 2006 are counted against the maximum number of six licenses but are not subject to restrictions on the type and location of licenses that are applicable to a licensee's first four licenses under the bill. Class H licenses issued between March 14, 2005 and December 1, 2005, however, are not counted against the maximum number of six licenses.

The hours and days a BLX licensee may exercise the privileges of sale under the license are the same as those for a Class B (on-sale) beer, wine, and liquor license in Anne Arundel County. The license may not be transferred from its original location.

The Anne Arundel County Economic Development Corporation must conduct a study, in consultation with representatives of the retail alcoholic beverage industry and the Board of License Commissioners, on dividing the county into districts and assigning a population quota to each district for every class of alcoholic beverages license. The corporation must submit a final report to the Anne Arundel County Executive and to the Anne Arundel County Delegation on or before December 31, 2006.

Current Law: A Class B license authorizes the licensee to keep for sale and sell beer and light wine (for a beer and light wine license) or all alcoholic beverages (for a beer, wine, and liquor license) at retail at any hotel or restaurant for consumption on the premises or elsewhere.

A Class H license authorizes the licensee to keep for sale and sell beer and light wine (for a beer and light wine license) or all alcoholic beverages (for a beer, wine, and liquor license) at retail at any hotel or restaurant for consumption on the premises.

In Anne Arundel County, the hours of sale for all licenses are generally from 6 a.m. until 2 a.m. of the following day, except that alcoholic beverages may not be sold on Sunday unless a licensee has a special Sunday license. Hours and days of sale in the City of Annapolis are set independently of the rest of the county and vary depending on the type of license issued.

In general, in Anne Arundel County, a person, franchisor, franchisee, chain store operation, partnership, firm or corporation, except by way of renewal, may not have any interest in more than one license, however, a licensee may hold two licenses in the case that the licenses are either a Class B license prohibiting off-sales (issued as of June 1, 2002) and a Class H license, or two Class H licenses, provided one of the licenses is located within specified areas.

Local Expenditures: Anne Arundel County expenditures would increase by \$13,300 in fiscal 2007 and by \$10,300 annually thereafter reflecting the cost of hiring one additional inspector.

Local Revenues: Anne Arundel County revenues could increase by \$1,000 for each additional license issued. It cannot be accurately estimated how many persons or businesses would apply for the new license or how many licenses those persons or businesses would apply for.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 3, 2006
mll/hlb Revised - House Third Reader - April 6, 2006
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