

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 905 (Senators Miller and Middleton)

Education, Health, and Environmental Affairs

Economic Matters

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**Calvert County and Charles County - Alcoholic Beverages - License for Luxury-Type Restaurants**

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This bill creates a Class BLX alcoholic beverages license for luxury-type restaurants in the 27<sup>th</sup> legislative district of Calvert County and specifies limits on the number of Class B and BLX licenses in which a person or entity may hold a direct or indirect interest in Calvert County and Charles County.

The bill takes effect July 1, 2006.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Calvert County revenues would increase by \$2,400 for each license issued, yet it cannot be accurately estimated how many persons will apply for a Class BLX license. Charles County revenues could also increase due to additional license fees.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** To qualify for a Class BLX license in the 27<sup>th</sup> legislative district of Calvert County, a restaurant must have a minimum capital investment of \$500,000 for the dining room facilities and kitchen equipment, excluding the cost of land, buildings, or leases; and the restaurant must have a seating capacity of at least 150 people. A person or entity may not have a direct or indirect interest in any combination of more than three

Class B and Class BLX licenses. Conditions indicating an indirect interest are specified in the bill. The license fee is \$2,400 and the license is applied for in the same manner as other classes of licenses. A luxury-type restaurant is to be defined by the county liquor board.

In Charles County, a person may not hold a direct or indirect interest in more than six Class B – BLX licenses.

**Current Law:** In general, a person or entity may not hold more than one alcoholic beverages license unless otherwise specified under State law.

A Class BR beer, wine, and liquor license is available in Calvert County, which authorizes a license holder to sell beer, wine, and liquor in restaurants for on-sale consumption with meals only. The annual license fee is \$500.

In Charles County, a Class BLX license is issued to luxury-type restaurants (as defined by the Board of Liquor License Commissioners). A restaurant may not have less than a minimum capital investment of \$550,000 for the dining room facilities and kitchen equipment, not including the land, buildings, or leases; and the restaurant may not have a seating capacity of less than 150 people. The license fee is \$2,400 and the license is applied for in the same manner as other classes of licenses. Not more than two Class BLX licenses may be issued to a single licensee.

**Background:** The license fee for a Class BLX license in Charles County was increased from \$2,000 to \$2,400 by Chapter 204 of 2004.

### **Local Fiscal Effect:**

#### *Calvert County*

Calvert County revenues could increase due to collection of additional license fees. The county estimates 20 restaurants might be eligible for a license, although it cannot be accurately estimated how many restaurants would apply for a Class BLX license. Revenues would increase by \$2,400 for each license issued. It is assumed any additional enforcement and monitoring could be handled with existing resources.

#### *Charles County*

Assuming the bill would allow up to six Class BLX licenses to be issued to a person or entity in Charles County, county revenues could increase in the future due to the collection of additional license fees, in the event a person or entity would apply for more

than the current limit of two licenses. There are currently four licensees that hold two Class BLX licenses in Charles County. Revenues would increase by \$2,400 for each additional license issued.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Calvert County, Charles County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 8, 2006  
mll/hlb Revised - Senate Third Reader - April 5, 2006  
Revised - Enrolled Bill – May 5, 2006

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