

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 726

(Frederick County Delegation)

Economic Matters

Education, Health, and Environmental
Affairs

Frederick County - Alcoholic Beverages Sales - Tuscarora District

This bill authorizes Class A, B, and C beer and light wine licenses and Class A, B, and C beer, wine, and liquor licenses to be issued for places of business located in the Tuscarora (21st) election district in Frederick County. The bill must be submitted to a referendum of the legally qualified voters of Frederick County during the November 2006 general election. If the bill receives a majority of votes, it becomes effective on the thirtieth day after the official canvass of votes. The Frederick County Board of County Commissioners and Board of Elections must provide for and hold the referendum.

The bill takes effect October 1, 2006 for the sole purpose of providing for the referendum.

Fiscal Summary

State Effect: None.

Local Effect: Frederick County revenues could increase from additional license and application fees due to licenses being issued in the Tuscarora election district. However, it cannot be accurately estimated how many of the available licenses would be applied for. It is assumed the costs associated with the referendum could be handled with existing resources.

Small Business Effect: Small businesses located in the Tuscarora (21st) election district that are successful in obtaining an alcoholic beverages license could benefit from increased sales.

Analysis

Current Law: A license for the sale of alcoholic beverages authorized under State law may not be issued for any place of business located in the Tuscarora (21st) election district in Frederick County.

The following alcoholic beverages license quotas apply in Frederick County:

- No more than one Class B (on-sale) beer license and one Class B (on-sale) beer and light wine license for each unit of 4,000 people, or major fraction, in any one election district.
- No more than one Class A (off-sale) beer, wine, and liquor license, one Class A (off-sale) beer license, and one Class A (off-sale) beer and light wine license, for each unit of 4,000 people, in any one election district.

The population of each district for the purpose of the quotas is determined by the last federal census.

The license fees for the affected licenses in Frederick County are as follows:

- Class A (off-sale) beer – \$100
- Class A (off-sale) beer and light wine – \$140
- Class A (off-sale) beer, wine, and liquor – \$650
- Class B (on-sale) beer – \$130
- Class B (on-sale) beer and light wine – \$160
- Class B (on-sale) beer, wine, and liquor – \$1,500 (restaurant), \$2,000 (hotel)
- Class C (on-sale) beer – \$50
- Class C (on-sale) beer and light wine – \$70
- Class C (on-sale) beer, wine, and liquor – fees for specialized licenses ranging from \$100 to \$2,000

Background: In accordance with the 2000 census, one Class A beer; one Class A beer and light wine; one Class A beer, wine, and liquor; one Class B beer; one Class B beer and light wine; and an unlimited number of Class B beer, wine, and liquor licenses and Class C licenses could be available in the Tuscarora (21st) election district under the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 3, 2006
ncs/hlb

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