

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1153
Economic Matters

(Carroll County Delegation)

Education, Health, and Environmental Affairs

Carroll County - Alcoholic Beverages - Quota for Class A Licenses

This emergency bill prohibits the Carroll County Board of License Commissioners from issuing a new Class A (off-sale) alcoholic beverage license in an election district in which the ratio would exceed one Class A license for every 5,000 residents. The bill does not apply to the renewal or transfer of licenses or a winery that applies for a Class A light wine license.

Fiscal Summary

State Effect: None.

Local Effect: Carroll County revenues from alcoholic beverage licenses could decrease by a minimal amount in future years. County expenditures would not be affected.

Small Business Effect: Potential minimal.

Analysis

Current Law: The Carroll County Board of License Commissioners is authorized to issue an alcoholic beverages license to applicants who meet statutory requirements. There is no established limit on the number of licenses issued.

Background: Carroll County is divided into 14 election districts and has an estimated 2007 population of 172,745 residents. Four of these districts have a population of fewer than 5,000 residents.

Using the standard of one Class A license per 5,000 residents would result in a total of 27 Class A alcoholic beverage licenses in Carroll County; however, the methodology applies exclusively to new licenses. As of April 30, 2006, there were 40 Class A licenses issued in Carroll County, which suggests that new licenses would be available in a limited number of circumstances.

Local Fiscal Effect: In the long term, Carroll County could experience a reduction in Class A licensing revenue as a result of the bill. The amount of the impact will depend on population growth and the amount of turnover in Class A licenses. **Exhibit 1** shows the annual licensing for each type of Class A license. In addition to these fees, Carroll County charges a fee up to \$500 for the processing of an application for a new alcoholic beverages license.

Exhibit 1
Class A Annual Licenses Fees in Carroll County

<u>License Type</u>	<u>Fee Amount</u>
Class A Beer	\$100
Class A Light Wine	\$50
Class A Beer and Light Wine	\$140
Class A Beer, Wine, and Liquor	\$650

Small Business Effect: Small businesses attempting to obtain a new Class A license in Carroll County may not be able to enter the market, which could benefit current Class A licensees.

Additional Information

Prior Introductions: None.

Cross File: SB 845 (Carroll County Senators) – Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - March 12, 2007
mll/hlb Revised - House Third Reader - April 3, 2007

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