

Department of Legislative Services  
Maryland General Assembly  
2007 Session

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

House Bill 68  
Economic Matters

(Delegate Cane, *et al.*)

Education, Health, and Environmental Affairs

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**Alcoholic Beverages - Places of Public Entertainment and Unlicensed  
Establishments**

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This bill prohibits unlicensed establishments in Caroline, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, or Worcester counties that feature sexual displays or attire from serving alcohol or allowing alcohol to be consumed on premises. An individual violating these provisions may be subject to a misdemeanor charge carrying a maximum penalty of two years imprisonment and a \$10,000 fine.

The bill takes effect July 1, 2007.

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**Fiscal Summary**

**State Effect:** Because it is assumed that the bill would apply in a limited number of cases, State finances should not be materially affected.

**Local Effect:** The bill's provisions would not materially affect county finances.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** The bill prohibits a person in eight designated counties from dispensing setups or serving, dispensing, keeping, or allowing alcoholic beverages or any component part of a mixed alcoholic drink to be consumed in a place of public entertainment. A "place of public entertainment" is defined as a business that does not hold an alcoholic beverages license and allows nudity and sexual displays on its premises. The bill further

prohibits an operator of an unlicensed for-profit establishment from knowingly allowing customers to bring alcoholic beverages for consumption into the establishment.

**Background:** Eighteen Maryland jurisdictions prohibit the sale of alcohol at establishments featuring sexual displays or attire.<sup>1</sup> In these jurisdictions an establishment holding an alcoholic beverage license is subject to the revocation or suspension of that license following a finding that such displays occur on its premises.

In seven Maryland jurisdictions it is a crime for a person to perform or participate in an obscene exhibition in the presence of paying observers.<sup>2</sup> In these jurisdictions, the proprietor of these types of exhibitions may be subject to a misdemeanor charge carrying a fine of up to \$1,000 and/or imprisonment for up to one year. Subsequent violations may carry a fine of up to \$5,000 and/or imprisonment for up to three years.

Nine jurisdictions restrict or prohibit the operation of bottle clubs.<sup>3</sup> These clubs are generally defined as establishments that allow patrons to consume alcoholic beverages that were purchased off-premises.

**State Fiscal Effect:** General fund expenditures could increase minimally due to the bill's penalty provision. Commitments to Division of Correction (DOC) facilities would result in increased payments to counties for reimbursement of inmate costs. Excluding overhead the average cost of housing a new DOC inmate (including medical care and variable costs) is \$465 per month.

Persons serving a sentence of one year or less in a jurisdiction other than Baltimore City are sentenced to local detention facilities. The State reimburses counties for part of their incarceration costs, on a per diem basis, after a person has served 90 days. Because it is assumed that the bill's provisions would apply in a limited number of cases, State finances should not be materially affected.

<sup>1</sup>Allegany, Anne Arundel, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Kent, Prince George's, Queen Anne's, St. Mary's, Washington with exceptions, Wicomico, and Worcester counties.

<sup>2</sup>Allegany, Anne Arundel, Charles, Howard, Somerset, Wicomico, and Worcester counties.

<sup>3</sup>Baltimore City and Anne Arundel, Baltimore, Cecil, Charles, Dorchester, Frederick, Montgomery, and St. Mary's counties.

**Local Fiscal Effect:** Fines imposed or recognizance forfeited for violation of any provision of Article 2B are payable to the county in which the offense was committed. Fines imposed by the District Court or the circuit court for a violation of the bill's provisions would be remitted to the county in which the violation occurred. As a result, these jurisdictions could realize an increase in fine revenues. Expenditures could increase as a result of the bill's incarceration penalty. Because it is assumed that the bill's provisions would apply in a limited number of cases, county finances should not be materially affected.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 12, 2007  
mll/hlb Revised - Enrolled Bill - May 8, 2007

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