

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 458

(Senator Colburn)

Education, Health, and Environmental Affairs

Economic Matters

**Wicomico County - Alcoholic Beverages - Minimum Seating Capacity for
Licensed Restaurants**

This bill reduces the minimum seating capacity requirement from 75 to 40 persons for restaurants in Wicomico County with a Class B beer, wine, and liquor license.

The bill takes effect July 1, 2007.

Fiscal Summary

State Effect: None.

Local Effect: Wicomico County revenues could increase by a minimum amount from the expansion of licensing eligibility. County expenditures would not be affected.

Small Business Effect: Potential revenue increase for small businesses meeting new eligibility guidelines.

Analysis

Current Law: Restaurants holding a Class B beer, wine, and liquor license in Wicomico County are required to have a minimum seating capacity for 75 persons.

The annual license fee in Wicomico County for a restaurant with a Class B beer, wine, and liquor license in \$1,320.

Background: Establishments with seating capacity for fewer than 75 persons are currently eligible for a Class B beer and wine license. The annual license fee is \$400. Wicomico County assumes that several current holders of the Class B beer and wine license will apply for the Class B beer, wine, and liquor license if the proposed legislation is enacted, potentially increasing revenue by \$920 per licensee. As of April 30, 2006, there are 13 establishments holding a Class B beer and wine license in Wicomico County.

Local Fiscal Effect: It is likely that several current Class B beer and wine license holders would apply for a Class B beer, wine, and liquor license if the minimum seating capacity requirement is reduced. Wicomico County could realize \$920 in additional revenue from current license holders and \$1,320 from new applicants. Overall increases in revenue are expected to be minimal. It is assumed that any additional licensing activity could be accommodated with existing resources.

Additional Information

Prior Introductions: None.

Cross File: HB 80 (Delegate Cane, *et al.*) – Economic Matters.

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

Fiscal Note History: First Reader - February 14, 2007
ncs/hlb

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