

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 939
Economic Matters

(Prince George's County Delegation)

Prince George's County - Alcoholic Beverages Licenses - Waterfront
Entertainment Retail Complex
PG 312-07

This bill establishes three special alcoholic beverages licenses in Prince George's County to be used in a waterfront entertainment retail complex, as defined by the county executive. The bill also exempts businesses within a defined waterfront entertainment retail complex from certain alcoholic beverages licensing requirements and limitations.

The bill takes effect June 1, 2007.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues could increase by \$600 in FY 2008 and by \$1,300 annually beginning in FY 2009. County expenditures would not be affected.

Small Business Effect: Potential meaningful for businesses that are able to obtain these licenses in specified areas.

Analysis

Bill Summary: The bill creates three new alcoholic beverages licenses that may be issued in Prince George's County: (1) Special Class B (convention hotel); (2) Special Class B (entertainment venue); and (3) Class A (entertainment district). These licenses may only be issued to an establishment within a waterfront entertainment complex.

A Special Class B (convention hotel) license is both an on-sale and an off-sale beer, wine and liquor license. This license must be used by a convention hotel with at least three restaurant venues located within 1,500 feet of the hotel, more than 300,000 square foot of exhibition space, and more than 1,400 rooms. This license would also allow restaurants within the hotel complex to sell alcoholic beverages without obtaining separate licenses. Establishments operating under this license do not need to serve food to exercise Sunday sales.

A Special Class B (entertainment venue) is an on-sale beer, wine, and liquor license for use at an establishment that provides comedy, dancing, music, theatre, or similar art.

A Class A (entertainment district) license is an off-sale beer, wine, and liquor license that allows patrons to consume alcoholic beverages in certain “common” areas within a waterfront entertainment district. These “common” areas must be clearly defined by the licensee and approved by the board of license commissioners.

Additionally, the board of license commissioners may issue or approve the transfer of a Class A, B, or D beer and wine license or a Class A, B, or D beer, wine, and liquor license to a supermarket or grocery store that is located within a waterfront entertainment retail complex, as defined by the county executive.

Current Law: The Prince George’s County Board of License Commissioners may allow a person to have an interest in more than one Class B beer, wine, and liquor license, if the restaurant for which the license is sought is located within a waterfront entertainment complex as defined by a county zoning ordinance. Each restaurant within a waterfront entertainment complex is required to hold a separate license for the sale of alcoholic beverages.

Background: The Gaylord National Resort and Convention Center is a planned development on the Potomac River in Prince George’s County. Plans for the conference center include a luxury hotel, multi-use exhibition space, complete business center, four restaurants, an exhibition hall, terraced outdoor event lawns, waterfront promenade and an 800 foot pier.

Local Revenues: Prince George’s County estimates this bill will result in an application fee of \$700 for each of the new licenses created. The annual license fee for a Special Class B (convention hotel) is \$5,000. The annual license fee for a Special Class B (entertainment venue) is \$2,750. The annual license fee for a Class A (entertainment district) is \$2,500. There is an additional fee of \$500 for each restaurant in the complex operating under the Class B (convention hotel) license. Prince George’s County revenue

for a planned waterfront entertainment complex would be \$14,350 in fiscal 2008 and \$12,250 annually beginning in 2009. This estimate is based on the issuance of one license of each new category and that four restaurants will be operating under the Special Class B (convention hotel license).

Prince George's County indicates that under current law, each restaurant would be required to obtain a separate BLX (luxury-type restaurant) license. It is doubtful that an entertainment venue or an entertainment district would be able to acquire an alcoholic beverage license under current law. Revenue from the issuance of four BLX (luxury-type restaurant) licenses would be \$13,800 in fiscal 2008 and \$11,000 annually beginning in fiscal 2009.

Accordingly, Prince George's County revenues could increase by \$550 in fiscal 2008 and \$1,250 annually beginning in 2009. Monitoring of the additional licenses could be handled with existing resources.

Exhibit 1
Estimated License Fee Revenue

<u>Revenue Category</u>	<u>Current Law</u>	<u>Proposed Bill</u>	<u>Difference</u>
Proposed Restaurants	\$11,000	\$7,000	(\$4,000)
Proposed Entertainment Venue	-	2,750	2,750
Proposed Entertainment District	-	2,500	2,500
<u>Application Fees</u>	<u>2,800</u>	<u>2,100</u>	<u>(700)</u>
FY 2008 Revenue	\$13,800	\$14,350	\$550
FY 2009+ Revenue	\$11,000	\$12,250	\$1,250

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Gaylord Entertainment Company, Prince George's County,
Department of Legislative Services

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ncs/hlb

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