

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 459

(Senator Colburn, *et al.*)

Education, Health, and Environmental Affairs

Economic Matters

Alcoholic Beverages - Places of Public Entertainment and Unlicensed
Establishments

This bill prohibits unlicensed establishments in certain counties on the Eastern Shore from serving alcohol or allowing alcohol to be consumed on premises. An individual violating these provisions may be subject to a misdemeanor charge carrying maximum penalties of two years imprisonment and/or a \$10,000 fine.

The bill takes effect July 1, 2007.

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 will not materially affect finances in Caroline, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester counties.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill prohibits a person in Caroline, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester 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 jurisdictions¹ prohibit the sale of alcohol at establishments featuring sexual displays or attire. 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 jurisdictions², it is a crime for a person to perform or participate in an obscene exhibition in the presence of paying observers. In these jurisdictions, the proprietor of these types of exhibitions may be subject to a misdemeanor charge carrying maximum penalties of a fine of \$1,000 and/or imprisonment for one year. Subsequent violations may be subject to a fine of up to \$5,000 and/or imprisonment for up to three years.

Nine jurisdictions³ restrict or prohibit the operation of bottle clubs. 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.

¹ 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.

² Allegany, Anne Arundel, Charles, Howard, Somerset, Wicomico, and Worcester counties.

³ 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. As a result of the bill's penalty provision, fines imposed by the District Court or the circuit court for a violation of the bill's provisions would be remitted to the appropriate county. As a result, each county 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.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Somerset County, Wicomico County, Queen Anne's County, Talbot County, Kent County, Dorchester County, Worcester County, Comptroller's Office, Department of Legislative Services

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ncs/hlb

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