

**Department of Legislative Services**  
Maryland General Assembly  
2008 Session

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

House Bill 241 (Delegate Love)  
Health and Government Operations

Finance

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**Anne Arundel County - Health Department - License Fees for Food Establishments**

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This bill repeals the limitation on the maximum annual license fee that Anne Arundel County may charge a food establishment. The Anne Arundel County Council must provide for a license fee schedule based on the anticipated cost of licensing, inspecting, and regulating food establishments. Exemptions from the license fee schedule is authorized.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Anne Arundel County revenues could increase by \$233,050 annually beginning in FY 2009. County expenditures would not be affected.

**Small Business Effect:** Meaningful. Annual license fees would increase from \$300 to \$500 for high-priority food establishments and from \$300 to \$325 for moderate-priority food establishments.

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**Analysis**

**Current Law:** A county governing body or the Mayor and City Council of Baltimore City may provide for a license fee schedule based on the cost of licensing, inspecting, and regulation of food establishments. All license fees are paid to the health department or chief financial officer of the county governing body or Baltimore City. Except in Baltimore City, Montgomery County, and Prince George's County, the maximum license

fee a county may charge a food establishment is \$300. The limit for a seasonal food processing facility is \$70.

A “food establishment” means a food service facility or a food processing plant. A “food service facility” means a place where food or drink is prepared for sale or service on the premises or elsewhere, or any operation where food is served to or provided for the public, with or without charge. A “food processing plant” means any place used for, or in connection with, the commercial manufacturing, preparing, processing, packaging, canning, freezing, storing, distributing, labeling, or holding of food or drink for human consumption. A food processing plant includes a bakery, cannery, crab meat picking plant, and other entities as specified in statute.

**Background:** Baltimore City, Montgomery County, and Prince George’s County are exempt from the limitation on the maximum annual license fee a food establishment may be charged. In Baltimore City, the annual license fee is \$450 for a high-priority facility and \$350 for a moderate-priority facility. In Prince George’s County, the annual license fee is \$425 for a high-priority facility and \$325 for a moderate-priority facility. In Montgomery County, annual license fees for eating and drinking establishments with sit-down dining range from \$170 to \$290, depending on the number of seats. Annual license fees for retail food facilities, such as drug stores, mini marts, or convenience stores, range from \$80 to \$455. Eating and drinking establishments with retail sales must hold both licenses.

**Local Revenues:** The Anne Arundel County Health Department advises that the removal of the \$300 cap on license fees would allow the department to charge each licensee the full cost of licensing, monitoring, and regulation – \$500 for a high-priority facility and \$325 for a moderate-priority facility. Anne Arundel County license fee revenues could increase by \$233,050 in fiscal 2009. In subsequent years, if the cost of regulating food establishments increases or decreases, the license fee would be adjusted and revenues would increase or decrease correspondingly. The county currently collects approximately \$505,500 in licensing fees.

**Small Business Effect:** There are currently 1,091 high-priority food establishments and 594 moderate-priority food establishments in Anne Arundel County. Annual license fees for high-priority food establishments would increase by \$200. Annual license fees for moderate-priority food establishments would increase by \$25.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** SB 121 (Senator Astle) – Finance.

**Information Source(s):** Anne Arundel County, Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - January 25, 2008  
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Analysis by: Erik P. Timme

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510