

Department of Legislative Services

Maryland General Assembly

2008 Session

FISCAL AND POLICY NOTE

Revised

House Bill 1013

(Prince George's County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

**Prince George's County - Alcoholic Beverages - Class BH (Hotel) Licenses and
Class B-DD (Development District) Licenses - Greenbelt Station
PG 310-08**

This bill authorizes the Prince George's County Board of License Commissioners to issue up to four additional Class B-DD (development district) 7-day beer, wine, and liquor licenses for on-sale consumption within a newly designated area adjacent to the Greenbelt Metro Station. In addition, the annual license fee for a Class BH (hotel) license increases from \$3,850 to \$5,000. Hotels that hold a valid Class BH license may begin serving alcoholic beverages for on-premises consumption beginning at 10 a.m. on Sundays rather than 12 noon. The bill also repeals • the prohibition against individuals, partnerships, and corporations holding more than four Class BH licenses; • the limit on the number of Class BH licenses authorized in the county; and • the prohibition against a Class BH licensee locating within 1,000 feet of a school or 500 feet of a church.

The bill takes effect July 1, 2008.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues could increase by \$33,350 in FY 2009 and by \$30,550 annually beginning in FY 2010. County expenditures would not be affected.

Small Business Effect: Minimal.

Analysis

Current Law: In Prince George's County there is a Class B-DD (development district) 7-day beer, wine, and liquor license permitting on-sale consumption at licensed restaurants in the development district of the Capital Plaza Commercial Area. This area consists of commercial properties bounded by the Baltimore-Washington Parkway on the west and northwest, Maryland Route 450 on the south, and Cooper Lane on the east and northeast.

The board of license commissioners may issue up to four Class B-DD licenses. These licenses may only be issued to restaurants that satisfy certain eligibility criteria, including limitations as to the percentage of business receipts from food as compared with alcoholic beverages, and as to the number of stores that may be owned by a single entity. The annual license fee for this license is \$2,750.

A Class B beer, wine, and liquor license authorizes a hotel or restaurant to sell alcoholic beverages at retail for consumption on the premises or elsewhere. In Prince George's County, there is a Class BH license for hotels that is subject to all provisions pertaining to Class B beer licenses, except that any restrictions against the sale of alcoholic beverages on Sunday do not apply. Instead, the sale and consumption of alcoholic beverages on Sundays are restricted to between the hours of 12 noon and 2 a.m.

The holder of a Class BH license may also sell alcoholic beverages in sealed containers to hotel guests who are 21 years of age in sealed containers of less than 200 milliliters kept in locked, prestocked private bars located within individual guest rooms.

The annual license fee for a Class BH license is \$3,850. An individual, partnership, or corporation may not hold or have an interest in more than four Class BH licenses.

Local Fiscal Effect: Based on high demand anticipated for Class B-DD licenses in the rapidly expanding Greenbelt area, Legislative Services advises that it is likely all four new Class B-DD licenses would be applied for. Assuming the Prince George's County Board of License Commissioners does not exercise its discretion to withhold the issuance of any of the four new licenses, county revenues would increase by \$13,800 in fiscal 2009 and \$11,000 annually beginning in fiscal 2010. This estimate reflects the costs of a one-time application fee of \$700 and an annual license fee of \$2,750. Monitoring of the additional licenses could be handled with existing resources.

In addition, there are currently 17 Class BH (hotel) licenses issued in Prince George's County. Assuming the Prince George's County Board of License Commissioners does not exercise its discretion to refuse the renewal of any of the 17 Class BH licenses,

county revenues would increase by an additional \$19,550 annually. This estimate assumes that the number of Class BH licenses remains constant in future years.

Small Business Effect: The limited issuance of Class B-DD licenses could have a significant benefit for those businesses that are issued the license, and give them a competitive advantage over other businesses that are unable to obtain one.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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