

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

Senate Bill 1003 (Senator Astle)
Education, Health, and Environmental Affairs

Anne Arundel County - Alcoholic Beverages - Class H-EX Licenses

This bill establishes a Class H-EX (hotel express) beer and light wine license (on-sale or off-sale) and a Class H-EX (hotel express) beer, wine, and liquor license (on-sale) for use in a hotel in Anne Arundel County. Class H-EX licenses do not require that a hotel have a food service facility or a minimum number of rooms.

The bill takes effect June 1, 2008.

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County revenues could increase by a minimal amount from the issuance of Class H-EX alcoholic beverages licenses. Expenditures would not be affected.

Small Business Effect: Minimal. Hotels without food service facilities could realize a positive benefit in the form of increased revenues from the sale of alcoholic beverages.

Analysis

Bill Summary: A Class H-EX alcoholic beverages license allows the licensee to sell specified alcoholic beverages to hotel guests who may consume the beverages in their rooms. The Class H-EX beer and light wine license authorizes the holder to sell unopened bottles of beer and light wine to a customer for off-site consumption. A Class H-EX beer, wine, and liquor license may not be issued in the City of Annapolis.

The annual license fee for a Class H-EX beer and light wine license is \$1,500 and the license fee for a Class H-EX beer, wine and liquor license is \$2,500. Both licenses allow Sunday sales and are exempt from any requirements on the minimum number of rooms offered or on-premise food service facilities.

Current Law: There is no alcoholic beverages license available to hotels in Anne Arundel County without food service facilities. An event organizer may acquire a one-day special event permit to be used at a hotel for up to six consecutive days.

Local Fiscal Effect: Anne Arundel County advises that board of license commissioners regularly grants special event permits to hotels without food service facilities. The daily fee for special event permits varies between \$15 and \$50, depending on the purpose of the event. Hotels typically will apply for a six-day permit at a rate of \$25 per day.

Anne Arundel County revenues from alcoholic beverages licenses would increase by either \$1,500 or \$2,500 for each Class H-EX license issued, depending on the authorized beverages. Revenues from the issuance of special event permits to hotels without dining facilities would decrease for hotels that obtain a Class H-EX license. The number of Class H-EX licenses that would be issued and the resulting reduction in special event permits issued cannot be reasonably ascertained at this time, but the net effect is expected to be minimal.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Anne Arundel County, Department of Legislative Services

Fiscal Note History: First Reader - March 26, 2008
ncs/hlb

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