

**Department of Legislative Services**  
Maryland General Assembly  
2009 Session

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

House Bill 1304  
Economic Matters

(Anne Arundel County Delegation)

Education, Health, and Environmental Affairs

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**Anne Arundel County - Alcoholic Beverages Act of 2009**

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This bill establishes new classes of alcoholic beverages licenses in Anne Arundel County and new requirements for license applicants, increases compensation for the attorney of the county board of license commissioners, and creates a part-time deputy chief inspector position. The bill also alters penalties for certain violations of alcoholic beverages laws and adds Anne Arundel County to the jurisdictions in which a court may remand certain proceedings to the local licensing board.

The bill takes effect July 1, 2009.

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**Fiscal Summary**

**State Effect:** Any payments from the board for criminal history records checks are cost recovery only. The Criminal Justice Information System (CJIS) can handle the bill's requirements with existing resources.

**Local Effect:** Anne Arundel County revenues increase by a minimum of \$37,900 annually beginning in FY 2010. County licensing fee revenues may further increase due to the new licenses established under this bill beginning in FY 2010. Anne Arundel County personnel expenditures increase by \$10,765 annually beginning in FY 2010.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary/Current Law:** The bill increases, from \$50 to \$60, the annual fee for a Class A light wine license in Anne Arundel County. The bill also requires an applicant

for a renewal of a license to pay a nonrefundable renewal fee of \$50 to the local collecting agency. This fee is in addition to the annual license fee.

### *Hotel-limited Service Licenses*

The bill establishes a beer and wine; and a beer, wine, and liquor hotel-limited service on-sale licenses. These licenses may only be issued to a person who owns or leases a hotel that contains at least 50 rooms and operates a kitchen licensed at least as a food service facility. These licenses entitle the holder to sell alcoholic beverages every day at one or more locations within the hotel. The annual license fees (\$2,400 for a beer and wine license and \$2,800 for a beer, wine, and liquor license) must be paid on May 1 to the board. The bill repeals a provision of law that established a Class B-LSH (limited service hotel) beer and light wine license.

### *Special Sunday License*

Under current law, the board may not issue a “special Sunday license” to any person who does not hold an alcoholic beverages license of some other class issued by the board. This bill also prohibits the board from issuing a “special Sunday license” to any person who holds a hotel-limited service license.

### *Special Outdoor Licenses*

The bill establishes a special outdoor license that can be issued to a holder of a Class B, C, D, or H license. The license, which has a \$100 annual fee, entitles the holder to provide outdoor table service to customers. A licensee must obtain approval from the board before the license is renewed.

Under current law, the board may issue special music or dancing licenses to holders of Class B, C, D, or H licenses under certain conditions. This bill allows the board to issue a special outdoor entertainment license to a holder of a Class B, C, D, or H license who also holds a special dancing license or a special music license to provide the same form of entertainment outdoors that the holder is entitled to provide indoors under the special dancing or music license and outdoor table service or cafe service.

### *Criminal History Records Checks*

The Criminal Justice Information System (CJIS) Central Repository is established within the Department of Public Safety and Correctional Services (DPSCS) to collect, manage, and disseminate Maryland criminal history record information for criminal justice and noncriminal justice (*e.g.*, employment and licensing) purposes.

The bill requires the board to obtain State and national criminal history checks from CJIS for each alcoholic beverages license applicant. The board must submit to CJIS: (1) two complete sets of the applicant's fingerprints; (2) the fee for accessing Maryland criminal history records (\$18.00); and (3) the processing fee for a national criminal history records check (\$19.25). Information must be forwarded by CJIS to the applicant and the board. The bill specifies that information obtained from CJIS must be confidential, not redisseminated, and used only for licensing purposes. The subject of a criminal history records check may contest the contents of the statement issued by CJIS in accordance with statutory provisions.

### *Penalty Provisions*

Under current law, the board in Anne Arundel County may impose a fine of not more than \$1,000 in lieu of suspension of a license for any violation that is cause for suspension under the county's alcoholic beverage laws. The bill increases the maximum fine to \$2,500 and specifies that a fine or suspension is in addition to any other term or condition imposed by the board as a result of the violation.

### *Appeals*

The decision of a local licensing board, in approving, suspending, revoking, and restricting, or refusing to approve, suspend, revoke, or restrict a license, or a licensee, is subject to appeal as provided by statute. The Circuit Court for Baltimore City and the circuit courts for Carroll, Charles, Frederick, Harford, Howard, Montgomery, Prince George's, and St. Mary's counties may remand these proceedings to the local licensing board for further consideration.

The bill adds Anne Arundel County to this list of jurisdictions. This authority may not be applied to any case for which a final judgment has been rendered and for which all judicial appeals have been exhausted before the bill's effective date of July 1, 2009.

### *Personnel and Salary Provisions*

The board is currently authorized to employ one part-time chief inspector with an annual salary of \$10,000 and 19 part-time inspectors with annual salaries of \$6,000. This bill converts one of the part-time inspector positions into a part-time deputy chief inspector position and establishes a salary of \$8,000. The bill also increases the annual salary of the board's attorney from \$12,000 to \$20,000.

### *Definition of Taxpayer*

The bill establishes that in Anne Arundel County, “taxpayer” means an individual who owns real property in the individual’s own name, individually or jointly with others, and pays real property taxes to Anne Arundel County.

**Local Revenues:** Anne Arundel County revenues increase by a minimum of \$37,900 annually beginning in fiscal 2010 from increased fine revenue, renewal fees, and additional license revenue from the hotel licenses. The bill establishes several new classes of licenses, including two new licenses for hotel-limited service on sale. Assuming that two hotels will be granted a beer and wine license, which has a \$2,400 fee, and two hotels will be granted a beer, wine, and liquor license, which has a \$2,800 fee, revenues could increase by \$10,400 beginning in fiscal 2010. However, the bill also repeals a provision of law granting a Class B-LSH license, which results in a revenue loss of \$8,000 for the four existing licenses. The net effect of these changes is \$2,400 in additional licensing fee revenues.

While it is unknown how many special outdoor licenses will be issued, Anne Arundel County currently has 382 Class B, C, D, or H licensees that would be eligible for special outdoor licenses. Revenues increase by \$100 for each new licensee.

The bill requires a \$50 fee to be paid on license renewal resulting in an annual revenue increase of \$25,500, assuming the number of annual renewals remains constant at 510. Anne Arundel County also projects an additional \$10,000 in fine revenue based on the bill’s provision increasing the maximum fine allowable.

**Local Expenditures:** The bill increases compensation for two existing positions in Anne Arundel County by increasing the salary of the board’s attorney by \$8,000 and reclassifying an existing inspector position and increasing the pay by \$2,000. Including allowances for fringe benefits, county expenditures increase by \$10,765 annually beginning in fiscal 2010.

The authorization for cases to be remanded to the board of license commissioners will not materially impact operations or finances for the board or the circuit court.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 106 is designated as a cross file but the bills are not identical.

**Information Source(s):** Anne Arundel County, Department of Public Safety and Correctional Services, Department of Legislative Services

**Fiscal Note History:** First Reader - February 20, 2009  
mcp/mwc Revised - House Third Reader - April 6, 2009  
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