

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 41 (Senator Colburn)

Education, Health, and Environmental Affairs

Economic Matters

Dorchester County - Alcoholic Beverages - Clubs - Membership

This bill reduces the minimum membership requirements in Dorchester County for armed forces organizations or clubs from (125 to 50) and for fraternal organizations (from 250 to 125) to obtain a Class C beer, wine, and liquor license.

The bill takes effect July 1, 2010.

Fiscal Summary

State Effect: None.

Local Effect: Potential minimal increase in Dorchester County alcoholic beverages licensing revenues. Expenditures are not affected.

Small Business Effect: Minimal.

Analysis

Current Law: The annual license fee for a Class C beer, wine, and liquor license in Dorchester County is \$1,000.

A license may be obtained by any local unit of a nationwide bona fide nonprofit organization or club composed solely of members who served in the armed forces of the United States in any war in which the United States has engaged and: (1) has held a charter from a national veterans' organization for a period of not less than five years prior to the time of making application for the license; (2) has a bona fide membership of at least 125 persons and dues of at least \$5 per year per person; (3) operates solely for the

use of its own members and their guests when accompanied by such members; and (4) meets in a clubhouse principally used for no other purpose.

A license may be obtained by any lodge or chapter of any bona fide nonprofit and nationwide fraternal organization composed of members duly elected and initiated in accordance with the rites and customs of the fraternal organization which (1) has been in existence and operating in Dorchester County for a period of at least five years prior to the time of making application for the license; (2) has a bona fide membership of at least 250 persons and dues of at least \$5 per year per member; (3) owns or operates a home or clubhouse principally for the use of its members and their guests when accompanied by such members; and (4) is not directly or indirectly owned or operated as a public business.

Background: There are currently three American Legion organizations and one Veterans of Foreign Wars (VFW) organization in Dorchester County. In addition, one Elks lodge and one Moose lodge in Dorchester County now hold such a Class C license. **Exhibit 1** shows the current minimum membership requirements for alcoholic beverages licenses purposes in surrounding Eastern Shore counties.

Exhibit 1
Minimum Membership Requirements for Alcoholic Beverages Licenses
Eastern Shore Counties

| <u>County</u> | <u>Armed Forces Organizations</u> | <u>National Fraternal Organizations</u> |
|---------------|-----------------------------------|---|
| Caroline | 50 | 100 |
| Dorchester | 125 | 250 |
| Kent | 50 | 100 |
| Queen Anne's | NONE | 50 |
| Somerset | 35 | 25 |
| Talbot | 50 | 50 |
| Wicomico | 50 | 50 |
| Worcester | 15 | 40 |

Dorchester County reports that recent national and local economic instability has led to declining memberships in both armed forces and fraternal clubs and organizations in the county.

Additional Information

Prior Introductions: None.

Cross File: HB 110 (Delegate Eckardt, *et al.*) - Economic Matters.

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

Fiscal Note History: First Reader - January 20, 2010
a/hlb

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