

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 1021 (Senator McFadden)

Education, Health, and Environmental Affairs

Baltimore City - Alcoholic Beverages - License Fees

This bill imposes additional license fees on establishments in Baltimore City for which specified alcoholic beverages licenses have been issued if these establishments provide live entertainment or outdoor table or café service. Specified alcoholic beverage licensees will have to pay additional fees based on seating capacity.

The bill takes effect July 1, 2010.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City revenues increase by \$173,000 annually beginning in FY 2011. City expenditures are not affected.

Small Business Effect: Potential meaningful impact on small business restaurants, bars, and other alcoholic beverages license holders due to increased fees.

Analysis

Current Law: Exhibits 1 and 2 show the increased fees specified by the bill as compared with current law.

Exhibit 1
Additional Alcoholic Beverages License Fees – Live Entertainment or Outdoor Café Service

<u>License Type</u>	<u>Current Fee</u>	<i>Additional Fees</i>		
		<u>Live Entertainment</u>	<u>Outdoor/Café</u>	<u>Both</u>
Class B Beer and Light Wine	\$165	\$500	\$200	\$700
Class D Beer and Light Wine	165	500	200	700
Class D Beer, Wine, and Liquor	825	500	200	700
Class B-D-7	1,320	500	200	700

Exhibit 2
Additional Alcoholic Beverages License Fees – Seating Capacity

<u>License Type</u>	<u>Current Fee</u>	<i>Additional Fees Based on Seating Capacity</i>			
		<u>Less than 200</u>	<u>200-1,000</u>	<u>1,000-10,000</u>	<u>Over 10,000</u>
Class C special Beer, Wine, and Liquor	\$50 per day	\$50 per day	\$100 per day	\$500 per day	\$1,000 per day
Class B-D-7	\$1,320	\$1,320	\$3,000	\$3,000	\$3,000

Local Fiscal Effect: The Baltimore City Board of Liquor License Commissioners indicate that there are 104 Class B-D-7 licensees that have live entertainment and will be subject to the \$500 additional fee and 80 Class B-D-7 licensees that provide outdoor table or café service and will be subject to the \$200 additional fee. In addition, 63 Class B-D-7 licensees may be subject to the \$3,000 fee for seating capacity of 200 people or more. Accordingly, Baltimore City revenues from the additional fees on Class B-D-7 licensees may increase by \$173,840 annually. However, the board advises that not all current licensees may opt to renew their licenses based on the proposed fee increases.

The board estimates that there are between 5 and 10 Class B and Class D licensees that provide outdoor services that may pay the additional \$200 fee; resulting in a maximum revenue increase of \$2,000 annually. The bill also increases the fees for Class C special beer, wine, and liquor licenses, based on capacity. The board estimates that these fees may result in increased revenue of \$30,000.

Due to some uncertainty as to the number of licensees that will actually renew licenses due to the new fees, the board estimates that licensing revenues may increase by approximately \$173,000 annually beginning in fiscal 2011.

The intent of the bill is to bring the fees charged to Class B-D-7, Class B beer and light wine, and Class D licensees in line with those charged to Class B beer, wine, and liquor licensees under Chapter 425 of 2008.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City, Department of Legislative Services

Fiscal Note History: First Reader - April 1, 2010
ncs/hlb

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