

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 1205
Economic Matters

(Montgomery County Delegation)
Education, Health, and Environmental Affairs

Montgomery County - Alcoholic Beverages License Fees - Repeal of Sunset
MC 24-10

This bill repeals the termination date for Class B beer, wine, and liquor license fees and special Class B-BWL (H-M) beer, wine, and liquor license fees in Montgomery County.

The bill takes effect June 1, 2010.

Fiscal Summary

State Effect: None.

Local Effect: Montgomery County license fee revenues of \$226,000 annually will continue beyond July 1, 2010. County expenditures are not directly affected.

Small Business Effect: None.

Analysis

Current Law: Montgomery County imposes a \$2,500 annual license fee for both a Class B beer, wine, and liquor license and a Class B-BWL (H-M) beer, wine, and liquor license. Beginning on July 1, 2010, the annual license fees will revert to \$2,000.

Background: In 1989, Montgomery County increased the license fee for a Class B beer, wine, and liquor license and a Class B-BWL (H-M) beer, wine, and liquor license from \$2,000 to \$2,500 to help fund alcoholic beverage enforcement activities. The legislation authorizing the fee increase had a sunset provision of September 30, 1991. Extensions of the sunset provision were enacted in 1991, 1994, and 1997. On October 1, 2000, the

renewal fee for Class B licenses in Montgomery County reverted back to \$2,000. Chapter 91 of 2001 reinstated the \$2,500 fee but with a sunset provision in four years. Chapter 48 of 2005 extended the termination date until June 30, 2010.

Local Fiscal Effect: According to the Comptroller's Alcohol and Tobacco Tax Annual Report, 452 Class B beer, wine, and liquor licenses were issued in Montgomery County during fiscal 2009. Assuming that the number of licenses remains relatively constant, Montgomery County revenues will decrease by \$226,000 annually beginning in fiscal 2011 if the license fee reverts back to \$2,000. If the expiration date is extended, then revenues will remain the same. While local expenditures are not directly affected by this bill, a reduction in revenues may restrict alcoholic beverage enforcement activities.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2010
mlm/hlb

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