

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

House Bill 567

(Prince George's County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

Prince George's County - Alcoholic Beverages - License Fees and Salaries of
Inspectors
PG 305-10

This bill increases alcoholic beverages license fees in Prince George's County as shown in **Exhibit 1**. The bill also requires an annual salary of \$10,900 for alcoholic beverages inspectors of the Prince George's County Board of License Commissioners.

The bill takes effect July 1, 2010.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues increase by \$103,600 annually beginning in FY 2011. County expenditures increase by \$39,700 annually beginning in FY 2011.

Small Business Effect: Minimal.

Analysis

Current Law: Current alcoholic beverages license fees in Prince George's County are provided in Exhibit 1.

The Prince George's County Council pays all expenses of the board of license commissioners upon the submission of an annual budget. Compensation for alcoholic beverages inspectors in Prince George's County is set at the discretion of the county council.

Background: According to the Prince George's County Board of License Commissioners, alcoholic beverages license fees in the county have not been increased in 10 years. Alcoholic beverages license fees generated approximately \$1.0 million in fiscal 2008 and 2009 as shown in **Exhibit 2**.

Local Revenues: In Prince George's County, there are 581 alcoholic beverages license holders, excluding the holders of special limited licenses. This includes 47 Class A, B, and D beer licenses; 90 Class A, B, C, and D beer and wine licenses; and 444 Class A, B, and C beer, wine, and liquor licenses.

On average, the bill increases license fees by \$172 per license issued. As a result, Prince George's County licensing revenues may increase by approximately \$103,600 annually beginning in fiscal 2011.

Local Expenditures: Prince George's County expenditures may increase by \$39,700 annually beginning in fiscal 2011 if the salary of the alcoholic beverages inspectors is set at \$10,900. Prince George's County indicates that the board has 32 inspectors with the current salary set at \$9,976, not including fringe benefits. The current fringe benefit rate is approximately 34.2%. The estimated increase per inspector is \$1,240 which reflects the increase in salary and associated fringe benefits.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County, Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2010
mpc/hlb Revised - House Third Reader - April 1, 2010

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Exhibit 1
Alcoholic Beverages License Fee Amounts in Prince George's County

	<i>Annual License Fee Amount</i>			
	<u>Current Law</u>	<u>Proposed</u>	<u>Difference</u>	<u>% Change</u>
Beer Licenses				
Class A – package goods stores	\$220	\$245	\$25	11.4%
Class B – restaurants and hotels	330	365	35	10.6%
Class C – clubs	220	245	25	11.4%
Class D – taverns	330	365	35	10.6%
Beer and Light Wine Licenses				
Class A – package goods stores	\$220	\$245	\$25	11.4%
Class B – restaurants and hotels	330	365	35	10.6%
Class B – stadiums	2,200	2,420	220	10.0%
Class C – clubs	220	245	25	11.4%
Class D – taverns	330	365	35	10.6%
Beer, Wine, and Liquor Licenses				
Class A – package goods stores	\$825	\$910	\$85	10.3%
Class B – restaurants and hotels	1,320	1,455	135	10.2%
Class B – restaurants and hotels	2,200	2,420	220	10.0%
Class B – restaurants and hotels	2,200	2,420	220	10.0%
Class B – Special Sunday On-sale Permit	770	850	80	10.4%
Class BLX – luxury restaurants	2,750	3,025	275	10.0%
Class BCE – catering establishments	3,300	3,630	330	10.0%
Class B/ECF – educational conference facility	3,850	4,325	475	12.3%
Class B-CI – country inn	1,375	1,515	140	10.2%
Class B-ECR – equestrian center	2,200	2,420	220	10.0%
Class B -ECF/DS – educational conference facility/dining services	6,750	7,425	675	10.0%
Class B – Washington Redskins stadium	19,800	21,780	1,980	10.0%
Class B-MB/22 – microbreweries	990	1,090	100	10.1%
Class B-DD – development districts	2,750	3,025	275	10.0%
Class B (TP) – theme park/Six Flags	3,900	4,290	390	10.0%
Class B-CC – convention center/National Harbor	20,000	22,000	2,000	10.0%
Class B-GC – golf course	330	365	35	10.6%
Class B-DH – beer and light wine – draft houses	220	245	25	11.4%
Class B-RD – beer, wine, liquor – revitalization district	660	725	65	9.8%

Exhibit 1 Continued
Alcoholic Beverages License Fee Amounts in Prince George's County

	<i>Annual License Fee Amount</i>			
	<u>Current Law</u>	<u>Proposed</u>	<u>Difference</u>	<u>% Change</u>
Special Class C – clubs and organizations				
Veterans	\$825	\$910	\$85	10.3%
Fraternal/Sororal/Service	825	910	85	10.3%
Yacht Club	1,430	1,575	145	10.1%
Golf and Country Club	1,650	1,815	165	10.0%
Country Club	1,000	1,100	100	10.0%
Special Class C – concessions	\$1,650	\$1,815	\$165	10.0%
<i>License Fee Amount - Per Day</i>				
	<u>Current Law</u>	<u>Proposed</u>	<u>Difference</u>	<u>% Change</u>
Special/Miscellaneous Licenses				
Special Class C 7-day beer license; beer and light wine license	\$50	\$75	\$25	50.0%
Special Class C beer, wine, and liquor license	150	200	50	33.3%
Special 3-day Class C beer, wine, and liquor license (nonprofit tax exempt organization) for sale at the National Harbor	150	200	50	33.3%
Special Wine Tasting (WT)	110	120	10	9.1%
Class B – racetracks with restaurant facilities	55	60	5	9.1%

Exhibit 2
Alcoholic Beverages License Revenues – Prince George's County
Fiscal 2005-2009

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Class A Licenses	\$111,760	\$94,490	\$109,465	\$115,720	\$112,990
Class B Licenses	678,684	687,924	703,380	792,957	819,184
Class C Licenses	70,475	54,168	63,787	74,827	71,767
Class D Licenses	25,905	33,990	33,142	35,170	31,880
Total	\$886,824	\$870,572	\$909,774	\$1,018,674	\$1,035,821