

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 975 (Senator Pugh)
Education, Health, and Environmental Affairs

Economic Matters

Baltimore City - Alcoholic Beverages - Zoo License

This bill authorizes the Baltimore City Board of Liquor License Commissioners to issue a special Class BWL-MZ license for use at the Maryland Zoo in Baltimore, located in Druid Hill Park, in exchange for any alcoholic beverages license currently held.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: Any potential increase in sales and use tax revenues from alcoholic beverages sales at the Maryland Zoo are assumed to be minimal.

Local Effect: Baltimore City revenues may increase by \$335 annually, as the net difference between the current \$165 annual license fee and the \$500 annual license fee for the new alcoholic beverages license.

Small Business Effect: Minimal.

Analysis

Bill Summary: The new license may be used to sell beer, wine, and liquor for consumption only on the land and in the facilities used by the Maryland Zoo in Baltimore. The currently held license must be exchanged for the Class BWL-MZ license. The board must extinguish the current license.

The licensee may designate an agent to sell beer, wine, and liquor at the zoo. The agent must be considered the vendor for collecting and remitting the sales and use tax. Upon

approval by the board, beer, wine, and liquor may be sold at the zoo in multiple locations. The hours of sale for the license are from noon to 11 p.m. every day of the week.

The annual license fee is \$500 and the board may adopt regulations to carry out these provisions.

Background: The Maryland Zoo in Baltimore has an animal collection of more than 1,500 birds, mammals, amphibians, and reptiles, representing nearly 200 species. Animals are displayed in natural settings replicating their native habitats. Since 1992, the zoo has been State owned and currently holds a beer and light wine, on-sale only, license. Annual revenues from alcohol sales are estimated to be less than \$10,000.

The State has provided the Maryland Zoo in Baltimore with a variety of grants to support its general operations over the past 20 years. These funds have resided in the Board of Public Works' budget since 2004. The board's fiscal 2013 allowance includes a \$5.2 million general fund operating grant to the zoo. It should also be noted that State funding for educational organizations includes an additional \$0.5 million for zoo operations, resulting in total State funding of \$5.7 million.

Fiscal 2011 was the first time in five years that the zoo remained open to visitors during the months of January and February. The zoo exceeded its original attendance estimate for those months of 8,000 patrons with an actual attendance of 9,300, generating \$48,500 in revenues. The \$48,500 in revenues offsets additional personnel, maintenance, and fuel costs associated with year-round operation totaling approximately \$43,000. The zoo reports that year-round operation has reduced seasonal employee turnover resulting in better trained and better quality workers, lower unemployment compensation rates, and reduced recruitment costs.

Additional Information

Prior Introductions: None.

Cross File: HB 1319 (Delegate Tarrant, *et al.*) - Economic Matters.

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

Fiscal Note History: First Reader - February 28, 2012
ncs/hlb

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