

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 767
Economic Matters

(Delegate Davis)

Alcoholic Beverages - Class B Licenses - Restaurants

This bill authorizes a business in which a parent company has a direct or indirect interest, and that operates using a restaurant registered brand owned or controlled, directly or indirectly, by the parent company, to obtain a Class B beer; beer and wine; or beer, wine, and liquor license for a *bona fide* restaurant subject to the rules, regulations, and application fees for obtaining Class B licenses established by their respective local licensing board. The issued license must be limited to the purpose of providing alcoholic beverages for consumption on the licensed premises only, except where allowed under other provisions of law. The bill does not limit the rights of a person to obtain Class B alcoholic beverages licenses, nor does it limit the number of permitted licenses authorized by law. Additionally, the bill does not authorize the issuance of more than the maximum number of Class B alcoholic beverages licenses to restaurants using the same registered brand within a local jurisdiction than are permitted by that local jurisdiction.

The bill takes effect June 1, 2012.

Fiscal Summary

State Effect: None. The processing of additional licenses that may be applied for under the bill can be done with existing resources.

Local Effect: Potential minimal increase in revenues from new licenses issued up to the maximum number allowed in a local jurisdiction.

Small Business Effect: Potential meaningful additional revenue through increased sales of alcoholic beverages for small businesses that qualify for and are issued a new Class B license, offset by the cost of the license.

Analysis

Current Law: Generally, no more than one alcoholic beverages license can be issued to any person, or for use of any partnership, corporation, unincorporated association, or limited liability company, in any local jurisdiction of the State except by way of renewal or where otherwise provided under provisions of law, and no more than one license can be issued for the same premises except where otherwise provided under law.

Background: According to the Comptroller's Alcohol and Tobacco Tax Annual Report for fiscal 2011, there are 27 Class B beer, 554 Class B beer and wine, and 2,767 Class B beer, wine, and liquor alcoholic beverages licenses issued in the State.

Additional Information

Prior Introductions: None.

Cross File: SB 627 (Senator Conway) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 22, 2012
ncs/hlb

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