

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 938
Economic Matters

(Delegate Tarrant, *et al.*)

Baltimore City - Alcoholic Beverages - Licensed Premises - Extended Hours

This bill allows a Class B-D-7 beer, wine, and liquor licensee in Baltimore City with an adult entertainment license to continue to serve food until 3 a.m. if the licensed premises is equipped with full kitchen facilities and utensils for regularly serving hot and cold meals prepared on the premises to the public. A patron at such an establishment may not consume alcoholic beverages after 3 a.m. The annual fee for this serving privilege is \$750.

The bill takes effect June 1, 2012.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City expenditures for enhanced police patrols in the Central District may increase by at least \$80,000 annually. Baltimore City alcoholic beverages license fee revenues are likely to increase by at least \$3,000 annually.

Small Business Effect: Potential meaningful.

Analysis

Current Law: In Baltimore City, a licensed premises must cease all operations, including the serving of alcoholic beverages or food and providing entertainment, at the closing hour for that class of license.

In Baltimore City, except as otherwise provided by law or by regulation, between 2 a.m. and 6 a.m. on any day, a person may not consume any alcoholic beverages on any premises open to the general public, any place of public accommodation, or any place at which setups or other component parts of mixed alcoholic drinks are sold, whether or not the premises or place is licensed for the sale of alcoholic beverages or has any other license if any form of entertainment, live or recorded, is offered at the place or on the premises.

Background: There are 448 Class B-D-7 licensees in Baltimore City. Of that number, 32 have adult entertainment permits, which are located throughout Baltimore City, though a majority are concentrated in Baltimore's Central District. Of the 32 establishments with an adult entertainment permit, only 4 are known to have full kitchen facilities. It is unknown how many of the remaining 28 licensees would be capable of constructing kitchen facilities.

Local Fiscal Effect: Currently, the Baltimore City Police Department has between 25 and 30 officers assigned to the Central District for nightclub and bar deployment. Although some of these resources can be scaled back by 3 a.m., the police department believes that under the bill between 12 and 15 officers would have to be held over on weekends for an additional hour through the use of overtime pay. Overtime pay for city police officers is about \$45 per hour, taking into account both officer and supervisory positions. Accordingly, the additional costs for enhanced police patrols could range from \$540 to \$645 per weekend day.

Additional deployments and/or overtime costs for other locations would require fewer concentrated resources and would be dependent upon how many licensees are located within that area. The costs will also depend on whether there is a special event or show. Most of these locations would also need the additional resources for two nights per week however the Central District would also require additional resources (5-7 officers) for a third night per week.

For illustrative purposes only, if between 12 and 15 officers are held over to work an additional hour in the Central District, Baltimore City expenditures will increase by at least \$80,000 on an annualized basis.

Assuming that all four qualifying establishments seek the privileges granted by the license under the bill, Baltimore City alcoholic beverages license fee revenues will increase by \$3,000 annually (4 x \$750). The number of additional establishments that would seek to qualify under the bill cannot be readily predicted.

Additional Information

Prior Introductions: None.

Cross File: SB 543 (Senator Jones-Rodwell, *et al.*) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 23, 2012
ncs/hlb

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