

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 404 (Delegate Feldman)
Economic Matters

Alcoholic Beverages - Issuance of Class A, C, and D Licenses

This bill increases to two the number of Class A, Class C, or Class D alcoholic beverages licenses that may be issued to an individual for specified purposes. The bill limits to one the number of licenses that may be issued for the use of an establishment that derives less than 85% of revenue from the sale of alcoholic beverages.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: Minimal. The bill is not expected to significantly affect State tax revenues relating to the sale and consumption of alcoholic beverages.

Local Effect: Local licensing revenue may increase beginning in FY 2014 to the extent additional Class A, C, and D alcoholic beverages licenses are issued. The amount of the increase depends on the number of licenses issued. In jurisdictions where the maximum number of authorized licenses have already been issued, local licensing revenues will not be affected.

Small Business Effect: Potential meaningful. To the extent small businesses are able to obtain additional alcoholic beverages licenses, additional sales and profits may be realized. However, other businesses may be negatively affected if they lose sales to new licensees.

Analysis

Current Law: Except by way of renewal, or as otherwise provided, no more than one Class A, Class C, or Class D alcoholic beverage license may be issued to any individual in Maryland for the use of: (1) that individual in this State; or (2) for the use of any partnership, corporation, unincorporated association, or limited liability company in this State.

Background: Retail alcoholic beverages licenses are issued by Baltimore City and the 23 counties, and the City of Annapolis. **Exhibit 1** shows the number of retail licenses, by class, issued for fiscal 2012.

Local Fiscal Effect: Local licensing revenue may increase beginning in fiscal 2014 to the extent additional Class A, C, and D alcoholic beverages licenses are issued. The amount of the increase depends on the number of licenses issued. In jurisdictions where the maximum number of authorized licenses have already been issued, local licensing revenues will not be affected. **Exhibit 2** shows total local licensing revenue for fiscal 2012.

Exhibit 1
Alcoholic Beverage Retail Licenses Issued
Fiscal 2012

<u>License Type</u>	<u>Licenses Issued</u>
Class A – Off Sale:	
Beer	52
Wine	0
Beer and Wine	438
Beer, Wine, and Liquor	1,052
<i>Total A Licenses</i>	<i>1,542</i>
Class B – On or Off Sale (Hotels and Restaurants)	
Beer	28
Wine	0
Beer and Wine	550
Beer, Wine, and Liquor	2,754
<i>Total B Licenses</i>	<i>3,332</i>
Class C – On Sale (Clubs)	
Beer	1
Wine	0
Beer and Wine	45
Beer, Wine, and Liquor	500
<i>Total C Licenses</i>	<i>546</i>
Class D – On or Off Sale (Taverns and On Sale Generally)	
Beer	48
Wine	0
Beer and Wine	272
Beer, Wine, and Liquor	658
<i>Total D Licenses</i>	<i>978</i>
Caterers – On or Off Sale	
Beer, Wine, and Liquor	9
Class BD-7 – On or Off Sale	
Beer, Wine, and Liquor (Baltimore City)	566
Total	6,973
<u>Summary by Alcoholic Beverages</u>	
Beer	129
Wine	0
Beer and Wine	1,305
Beer, Wine, and Liquor	5,539
Total	6,973

Source: *Alcohol and Tobacco Tax Annual Report, Fiscal 2012, Comptroller of Maryland*

Exhibit 2
County Alcoholic Beverages Licensing Revenue
Fiscal 2012

County	Licensing Revenue
Allegany	\$108,055
Anne Arundel ¹	681,120
Baltimore City	1,780,897
Baltimore	877,102
Calvert	132,300
Caroline	51,350
Carroll	176,350
Cecil	216,094
Charles	152,260
Dorchester	72,295
Frederick	349,993
Garrett	110,650
Harford	309,905
Howard	262,005
Kent	81,049
Montgomery	1,677,610
Prince George's	1,602,866
Queen Anne's	89,200
St. Mary's	98,200
Somerset	0
Talbot	35,950
Washington	94,100
Wicomico	131,630
Worcester	729,523
City of Annapolis	419,050
Total	\$10,239,554

Note: ¹Reflects fiscal 2011 licensing revenue.

Source: *Alcohol and Tobacco Tax Annual Report*, Fiscal 2012, Comptroller of Maryland

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City; Anne Arundel, Carroll, Charles, Harford, and Worcester counties; Comptroller's Office; Department of Legislative Services

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mlm/hlb

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