

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 629 (Senator Edwards)

Education, Health, and Environmental Affairs

Economic Matters

Alcoholic Beverages - Allegany County - Video Lottery Facility Sales and
Consumption

This emergency bill establishes a Class BWL-VLF (video lottery facility) and a Class BWL-VLC (video lottery concessionaire) beer, wine, and liquor license in Allegany County. The Class BWL-VLF and Class BWL-VLC licenses authorize the sale of beer, wine, and liquor for consumption anywhere in the video lottery terminal (VLT) facility or on the grounds controlled by the Class BWL-VLF licensee.

The Class BWL-VLF and Class BWL-VLC licenses authorize (1) music and dancing and (2) the sale and provision of beer, wine, and liquor for consumption throughout the VLT facility and grounds controlled by Class BWL-VLF licensee during the days and hours that the VLT facility is open for business. The annual license fee is \$15,000 for a Class BWL-VLF license and \$5,000 for a Class BWL-VLC license.

Fiscal Summary

State Effect: None.

Local Effect: Allegany County license fee revenues increase by \$20,000 annually. Allegany County can monitor licenses with existing resources.

Small Business Effect: Overall minimal, but potential meaningful for any qualifying licensee obtaining the license and having alcoholic beverage sales in excess of the annual fee.

Analysis

Bill Summary: The Class BWL-VLF licensee may sell beer, wine, and liquor on the premises of the VLT facility; the Class BWL-VLC licensee may sell beer, wine, and liquor on the premises of the concessionaire. An applicant for the Class BWL-VLF license need not meet any location, voting, or residency requirements. One or more Class BWL-VLC licenses may be issued for the VLT facility. The hours for sale of alcoholic beverages under an entertainment facility license or an entertainment concessionaire license are the same as the hours of operation for a VLT facility.

Current Law: Subject to certain limitations, the Allegany County Board of License Commissioners may issue a Class B beer, wine, and liquor license for use in a restaurant. There is no authorized alcoholic beverages license specific to a VLT facility or to a concessionaire to sell beer, wine, or liquor for consumption within a VLT facility in Allegany County.

Baltimore City has a Class BWL-VLF and Class BWL-VLC license, which permits the sale of beer, wine, and liquor within the VLT facility licensed to operate in Baltimore City. Anne Arundel County has an entertainment facility and entertainment concessionaire license, which permits the sale of beer, wine, and liquor within the VLT facility licensed to operate in Anne Arundel County, and Cecil County also, has an entertainment facility license.

Under Chapter 4 of the 2007 special session (SB 3), a video lottery operation licensee may not provide food or alcoholic beverages to an individual at no cost, with the exception of hors d'oeuvres, pretzels, cheese, or crackers as allowed under § 12-106 of Article 2B. Food or alcoholic beverages offered by a video lottery operation licensee may be offered only at prices that are determined by the county alcoholic beverages licensing authority to be commensurate with the price of similar types of food and alcoholic beverages at restaurants in the county in which the VLT facility is located.

A video lottery operation licensee must ensure that intoxicated individuals are not allowed to play VLTs and are not allowed in areas of the VLT facility where VLTs are located. The Code of Maryland Regulations requires security operating procedures that ensure that intoxicated individuals are prohibited from entering the VLT facility, or if necessary, immediately removed from the facility.

A VLT facility may operate 24 hours a day.

Background: The General Assembly has authorized six video lottery operation licenses in Baltimore City and Allegany, Anne Arundel, Cecil, Prince George's, and Worcester counties with a maximum number of 16,500 VLTs allotted in the State.

Licenses are also authorized to operate table games in the facilities with the approval of the State Lottery and Gaming Control Commission. Penn Cecil in Cecil County, Ocean Downs in Worcester County, and Maryland Live in Anne Arundel County are open to the public, while a VLT facility at the Rocky Gap Lodge and Resort in Allegany County is expected to open by mid 2013, and a facility in Baltimore City is scheduled to open in mid 2014. The Video Lottery Facility Location Commission may award a license for a Prince George's County facility to begin operations the earlier of July 1, 2016, or 30 months after the VLT facility in Baltimore City is open to the public.

Local Revenues: The Department of Legislative Services assumes the Allegany County VLT facility will be open for operations on Memorial Day weekend, 2013 and that one establishment may be eligible for a Class BWL-VLC license. Annual license fee revenues for Allegany County will increase annually by \$20,000, which includes the annual \$15,000 fee for the Class BWL-VLF license and \$5,000 for the Class BWL-VLC license.

Additional Information

Prior Introductions: None.

Cross File: HB 816 (Allegany County Delegation) - Economic Matters.

Information Source(s): Allegany County, Comptroller's Office, Maryland State Lottery and Gaming Control Agency, Lakes Entertainment, Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2013
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