

Department of Legislative Services  
Maryland General Assembly  
2015 Session

FISCAL AND POLICY NOTE  
Revised

Senate Bill 38

(Senator Mathias)

Education, Health, and Environmental Affairs

Economic Matters

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Worcester County - Alcoholic Beverages - Class C Licenses - Clubs

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This bill repeals the requirement that, in order to qualify for a seven-day Class C on-sale beer, wine, and liquor license in Worcester County, a club must maintain average daily receipts from the sale of food in excess of those for the sale of alcoholic beverages.

The bill takes effect July 1, 2015.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Minimal impact on Worcester County revenues, as discussed below. Expenditures are not directly affected.

**Small Business Effect:** Minimal overall, but potential meaningful positive impact for any small business able to upgrade to a seven-day license under the bill.

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Analysis

**Current Law:** In Maryland, a Class C beer, wine, and liquor license allows a licensee to sell or provide alcoholic beverages in clubs and other specified locations. In Worcester County, to qualify for a seven-day Class C on-sale beer, wine, and liquor license, a club must (1) have an enclosed dining area that has a seating capacity for at least 60 people (2) serve full-course meals from menus at least twice daily; and (3) during the effective period of the license, have daily average receipts from the sale of food in excess of those for the sale of alcoholic beverages. The annual license fee for a seven-day license is \$750.

**Local Revenues:** Worcester County issued 12 six-day Class C beer, wine, and liquor on-sale licenses in fiscal 2014. Under current law, the annual license fee for a six-day license is \$500. Worcester County advises that it anticipates that two licensed clubs upgrade their current six-day licenses to seven-day licenses as a result of the bill. Assuming two clubs upgrade to the seven-day license, the increase in the license fees (from \$500 to \$750) results in an increase in license fee revenues of \$500 annually beginning in fiscal 2016. However, Worcester County advises that it assesses a \$625 annual license fee for a six-day license and a \$975 annual license fee for a seven-day license. Based on that information, license fee revenues increase by an estimated \$700 annually beginning in fiscal 2016.

**Additional Comments:** Worcester County advises that § 18-102 of Article 2B allows the county commissioners to set alcoholic beverage fees at levels different than those established in statute. Section 18-102(b) states that “unless otherwise provided by the Worcester County Commissioners, the license fees for Worcester County under this article prevail.”

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Comptroller’s Office, Worcester County, Department of Legislative Services

**Fiscal Note History:** First Reader - February 2, 2015  
md/lgc Revised - Senate Third Reader - March 12, 2015

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