

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1310 (Prince George's County Delegation)
Economic Matters

**Prince George's County - Alcoholic Beverages - Licenses, License Fees, and
Sunday Sales**
PG 301-16

This bill increases the annual license fees for various alcoholic beverages licenses in Prince George's County. The bill also repeals the special Sunday on-sale permit attached to the Class B beer, wine, and liquor license, alters the maximum number of specified licenses that may be issued in Prince George's County, and expands the operating hours for a holder of a Class B beer, wine, and liquor license.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues increase by \$42,600 annually beginning in FY 2017. The Prince George's County Board of License Commissioners can handle any additional enforcement activity with existing resources.

Small Business Effect: Significant. The bill would negatively affect the retail sales of those small businesses holding a total of 228 Sunday on-sale licenses. Businesses would benefit, however, from the increased availability of licenses in several categories.

Analysis

Bill Summary/Current Law:

Annual License Fees

The bill increases license fees for the sale of alcoholic beverages in Prince George's County as shown in **Exhibit 1**.

Exhibit 1
Increase in Prince George's County Alcoholic Beverages License Fees

License Class	Allowed Beverages	Current License Fee	Proposed License Fee
Class A	Beer	\$245	\$500
Class A	Beer and light wine	245	500
Class B	Beer, wine, and liquor	1,455	2,305
Class B-Plus	Beer, wine, and liquor	2,420	3,270
Class B-AE (arts and entertainment)	Beer, wine, and liquor	2,750	3,600
Class B-CI (country inns)	Beer, wine, and liquor	1,515	2,365
Class BCE (on-sale)	Beer, wine, and liquor	3,630	4,480
Class B/ECF (educational conference facility)	Beer, wine, and liquor	4,325	5,175
Class B/ECF/DS (educational conference facility/dining service)	Beer, wine, and liquor	7,425	8,275
Class BLX (luxury restaurants)	Beer, wine, and liquor	3,025	3,875
Class D	Beer	365	500
Class D	Beer and light wine	365	500

Source: Department of Legislative Services

The bill would repeal provisions authorizing a Sunday on-sale permit in Prince George's County. The bill also alters the number of licenses available for the board to issue in several classifications:

- the number of Class A beer licenses is reduced from 19 to 15;
- the number of Class D beer licenses is reduced from 76 to 43;
- the number of Class A beer and light wine licenses is reduced from 26 to 19;
- the number of Class D beer and light wine licenses is increased from 55 to 135; and
- the number of Class B-AE beer, wine, and liquor licenses is increased from 8 to 15.

Special Sunday On-sale Permit: The Prince George's County Board of License Commissioners is authorized to issue a special Sunday "on-sale" permit to holders of the Class B beer, wine, and liquor license who meet requirements in statute. The permit authorizes the holder to sell beer, wine, and liquor for on-premises consumption, from a bar or cocktail lounge on a Sunday during the hours of 12 p.m. to 2 a.m. the following day. To qualify for the permit, daily receipts from the sale of food and alcoholic beverages on the licensed premises must average at least 40% for at least six months or for newly licensed establishments that meet specified health, safety, and service requirements, at the board's determination. The annual permit fee is \$850.

Background: According to Prince George's County, alcoholic beverages license fees in the county have not been increased in 10 years. Alcoholic beverages license fees generated approximately \$1.7 million in fiscal 2015.

Local Revenues: Beginning in fiscal 2017, Prince George's County revenues increase by \$236,400 annually as a result of the bill's fee increases. Overall, the bill reduces a total of 44 licenses and adds a total of 87, for a net increase of 43 licenses across various categories. However, the bill's provisions eliminate the special Sunday on-sale permit for holders of the Class B beer, wine, and liquor license. Prince George's County advises that there are currently 228 permits active. Accordingly, county revenues decrease by \$193,800 annually beginning in fiscal 2017. In total, the bill's provisions result in a net revenue increase of \$42,600 annually beginning in fiscal 2017.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County, Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2016
md/hlb

Analysis by: Michelle Davis

Direct Inquiries to:
(410) 946-5510
(301) 970-5510