

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 1140

(Senators Mathias and Eckardt)

Education, Health, and Environmental Affairs

Economic Matters

Wicomico County - Alcoholic Beverages - Youth and Civic Center License

This bill establishes a Class B Youth and Civic Center license in Wicomico County. The Wicomico County Board of License Commissioners may issue a license to a designee of the County Executive for use at the Wicomico Youth and Civic Center (WYCC). During the term of the license, WYCC must maintain a kitchen, dining space, and meeting space. The license authorizes the license holder to sell beer, wine, and liquor for on-premises consumption to individuals attending a youth and civic center event. The license holder may (1) authorize a vendor to sell alcoholic beverages for on-premises consumption and (2) contract to receive part of the revenue derived from the vendor's sale of alcoholic beverages. The hours of sale are the same as a Class B beer, wine, and liquor (BWL) license, and the annual license fee is \$1,500.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Wicomico County revenues increase by \$1,500 annually due to the license fee in addition to any application and renewal fees. County revenues also increase, likely by a significant amount, due to the sale of alcoholic beverages under the license, or under an agreement with a contractor in which the county receives a portion of the contractor's revenue from the sale of alcoholic beverages. If the county elects to sell alcoholic beverages without the assistance of a contractor, expenditures also increase to hire a full-time beverages manager and part-time servers to fulfill specified duties. Enforcement can be handled with existing resources.

Small Business Effect: Minimal.

Analysis

Current Law: There is no license currently available for use at WYCC.

A holder of a Class B BWL (on-sale) license may sell beer, wine, and liquor on Monday through Saturday, from 10 a.m. to 2 a.m. the following day, and on Sunday, from 10 a.m. to midnight, only to customers who are seated at tables. The license holder may not sell beer, wine, or liquor at a bar or counter on Sunday.

Background: Wicomico County advises that a study of the financial impact of providing alcoholic beverages at WYCC was performed in 2008. The bill is intended to allow the county to make WYCC a more attractive location for entertainment acts. Wicomico County indicates that the revenues derived from alcoholic beverages sales would be used to offset the current general tax appropriation by the county that subsidizes the operation of the civic center.

Local Fiscal Effect: If Wicomico County elects to sell alcoholic beverages without the assistance of a contractor, the county estimates that revenues would total approximately \$450,000 and expenditures would total approximately \$250,000 in fiscal 2017. The estimate includes hiring one full-time beverage manager, a variable number of part time servers, one-time start-up costs, and ongoing operating expenses. Should Wicomico County elect to authorize a vendor to sell alcoholic beverages under the license, both revenues and expenditures would be less. However, a specific estimate is not available at this time.

Additional Information

Prior Introductions: None.

Cross File: HB 1521 (Delegate Anderton) - Rules and Executive Nominations.

Information Source(s): Wicomico County, Department of Legislative Services

Fiscal Note History: First Reader - March 15, 2016
min/hlb

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