

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 1021
Economic Matters

(Prince George's County Delegation)

Education, Health, and Environmental Affairs

**Prince George's County - Alcoholic Beverages - Licenses, Notice Requirements,
and Loitering Enforcement**
PG 303-16

This bill increases license fees for various alcoholic beverage licenses in Prince George's County, alters the maximum number of specified licenses that may be issued, and repeals the special Sunday on-sale permit attached to the Class B beer, wine, and liquor license. The bill also authorizes the Prince George's County Board of License Commissioners to issue Class B-DD (Development District) licenses to restaurants located in specified areas and authorizes the conversion of specified licenses. The board is required to maintain a comprehensive database of loitering arrests and citations and may impose a fine on license holders for three or more loitering violations in a 12-month period. The board must maintain a comprehensive database with records of the fines imposed. Finally, the bill expands public hearing notice requirements.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues increase by \$63,500 in FY 2017 and by \$54,400 annually beginning in FY 2018 from license renewal fees. The bill's publication requirements and any additional enforcement activity can be handled with existing resources.

Small Business Effect: None.

Analysis

Bill Summary:

Notice Requirements: The bill requires the board to implement enhanced meeting notice rules for public meetings regarding the issuance, transfer, or protest of a license renewal. The requirements include posting a notice of the date, time, and location of the hearing as soon as practicable after the hearing is scheduled, to all municipalities, civic organizations, homeowners' associations, and condominium associations that request to receive notice of hearings by signing up on a registry on the board's website and are located within one mile of the location of the proposed place of business of the applicant. Each requesting organization may specify a preference for either a written or electronic notice from the board.

Citation Database: The bill requires the board to maintain a comprehensive database of loitering arrests and citations issued by local law enforcement after obtaining the data from appropriate law enforcement agencies. The board is authorized to impose a fine on license holders for three or more loitering violations in a 12-month period and must include a record of the fines imposed in the comprehensive database.

Licenses Authorized: 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 4;
- the number of Class D beer licenses is reduced from 76 to 33;
- the number of Class A beer and light wine licenses is reduced from 26 to 7;
- the number of Class D beer and light wine licenses is increased from 55 to 99; and
- the number of Class B-AE beer, wine, and liquor licenses is increased from 8 to 15.

License Conversions: The board is authorized to convert the licenses of a Class A beer, Class D beer, or Class A beer and light wine license to a Class D beer and light wine license upon application and approval by a qualified licensee. The board must hold a public hearing on license conversions in the same manner in which a hearing is held for the issuance of a new license. The board must consider the existing privileges of an applicant licensee under the current license and may only authorize the licensee to sell beer and light wine for off-premises consumption during the days and hours specified in existing law for the original license. The application fee for a license conversion is \$750.

Annual License Fees: The bill increases several 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

Development District Licenses: The bill authorizes the board to issue Class B-DD licenses to restaurants located in the following areas:

- up to two within the Buena Vista West mixed-use development in the northwest quadrant at the intersection of Maryland Route 704 (Martin Luther King Jr. Highway) and Maryland Route 450 (Annapolis Rd);
- up to five within the Karington mixed-use development located in the southwest quadrant at the intersection of Maryland Route 214 (Central Ave.) and U.S. Route 301 (Crain Highway);
- up to two within the Clinton Marketplace mixed-use development located in the southwest quadrant at the intersection of Maryland Route 223 (Piscataway Road) and Brandywine Road;

- one license located within 1.5 miles surrounding Rivertowne Commons at the intersection of Livingston Road and Oxon Hill Road;
- one license at the intersection of Maryland Route 373 and Maryland Route 210 (Indian Head Highway).
- one license within 1.5 miles surrounding Iverson Mall at the intersection of Iverson Street and Branch Avenue; and
- one license within 1.0 mile of the intersection of East-West Highway and Belcrest Road.

Permits: The bill would repeal provisions authorizing a Sunday on-sale permit in Prince George’s County and authorizes the board to issue a Sunday off-sale permit to holders of a Class A beer, wine, and liquor license that acquired the license on or after January 1, 2016.

Current Law:

Notice Requirements: In addition to a specified requirement to post notice in local newspapers, the board must also post a suitable notice in a conspicuous place at the location described in an application for at least 10 days before the application hearing, which states the class of license for which the application is made and the date, time, and location set by the board for an application hearing. If the location described in the application is in a municipality, written notice of the application must be made to the governing body of the municipality.

Development District Licenses: A Class B-DD license is a seven-day beer, wine, and liquor license for on-premises consumption only. The annual license fee is \$3,025. An additional annual fee of \$850 is required for sales on Sundays. An initial license application fee of \$700 is also required for new licenses. The Prince George’s County Board of License Commissioners may issue:

- up to four Class B-DD licenses for restaurants located within the Capital Plaza commercial area, consisting of commercial properties within the area bounded (1) on the West and Northwest, by the Baltimore-Washington Parkway; (2) on the South by Maryland Route 450; and (3) on the East and Northeast by Cooper Lane;
- up to four Class B-DD licenses for restaurants located within the area of Greenbelt Station, located inside the Capital Beltway and adjacent to the Greenbelt Metro Station;
- up to six Class B-DD licenses to restaurants located within the area of Ritchie Station Marketplace; and

- up to six Class B-DD licenses for restaurants located within the Towne Centre at Laurel.

A Class B-DD license may be issued only for a restaurant within any single area designated. Ownership of the license may be transferred from one license holder to another if the license is to be used at the same location but may not be transferred for use at a different location. The board must determine the number of Class B-DD licenses to be issued, the persons to whom Class B-DD licenses are to be issued, and the number of licenses each recipient may hold.

A license holder may hold a Class B-DD license in addition to any other alcoholic beverages license. A Class B-DD license may not be issued to a restaurant located within a chain store, supermarket, discount house, drug store, or convenience store.

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.

Sunday Off-sale Permit: Generally, Sunday off-sales permits can be issued to Class A or Class B beer, wine, and liquor license holders with off-sale privileges. The permit authorizes the sale of alcoholic beverages for consumption off the licensed premises on Sunday only from 8 a.m. to midnight. An applicant for a special Sunday off-sale permit must commit to reinvesting a minimum of \$50,000 in the business within one year after the permit is issued. The board may waive the reinvestment requirement, but the board must revoke the permit if the requirement is not waived and the reinvestment is not made. No more than 100 special Sunday off-sale permits may be in effect at any one time. The board may not issue a special Sunday off-sale permit to specified license holders that have violated specified restrictions on selling liquor on Sunday.

The annual license fee for a Sunday off-sales permit is \$1,080, and the one-time application fee is \$750.

Local Revenues: In total, Prince George's County revenues increase by \$63,500 in fiscal 2017 and by \$54,400 annually beginning in fiscal 2018 from license renewal fees. This estimate is based on the following:

- County revenues increase by \$200,400 annually beginning in fiscal 2017 as a result of the bill's fee increases. Overall, the bill reduces a total of 77 licenses and adds a total of 51, for a net decrease of 26 licenses across various categories.
- County revenues decrease by \$193,800 annually beginning in fiscal 2017 as a result of the bill's provisions that 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.
- County application and license fee revenues for 13 Class B-DD licenses total \$56,925 in fiscal 2017 and \$47,825 annually thereafter. This estimate assumes that up to 10 of the Class B-DD licensees will obtain the Sunday sales permit and does not include potential fee revenue from license conversion applications to a Class D beer and light wine license by Class A and D beer, or Class A beer and light wine, licensees.

Local Expenditures: The bill's public notice requirements, citation database, and any additional enforcement requirements can be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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