

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 435

(Senator Norman, *et al.*)

Finance

Economic Matters

Business Regulation - State and Harford County Juke Box Licenses - Repeal

This bill repeals the licensure requirement for a person to keep a juke box for public entertainment in the State as well as the additional licensure requirement in Harford County. The associated fees and penalties are also repealed.

Fiscal Summary

State Effect: General fund revenues are not materially affected, as explained below. Modifications to the electronic licensing system maintained by the Judiciary (Administrative Office of the Courts) are not expected to be significant and can be handled with existing resources.

Local Effect: Local government revenues are not materially affected, as explained below.

Small Business Effect: Minimal. Nominal licensing fees paid by small businesses to keep juke boxes for public entertainment are eliminated by the bill. The benefit to small businesses in Harford County (where the combined effect is \$20 per juke box rather than \$10) is marginally greater than for small businesses located elsewhere in the State.

Analysis

Current Law: A person must have a State juke box license whenever that person keeps a juke box for public entertainment in the State. Only in Harford County, a person must *also* have a Harford County juke box license. Generally, an applicant for either a State juke box license or a Harford County juke box license must pay the clerk of the circuit court in each county a license fee of \$10 per juke box (*i.e.*, the total cost in Harford County is \$20 per juke box).

A person who keeps a juke box for public entertainment in the State without a State license is guilty of a misdemeanor and subject to a penalty of a \$100 fine. There is an identical additional penalty for a person who keeps a juke box for public entertainment in Harford County without a Harford County license.

Background: State and Harford County juke box licenses are issued, and licensing fees are collected, by the circuit court clerk in each local jurisdiction. Although the licenses are issued by the circuit court clerk, the Judiciary (Administrative Office of the Courts) maintains the central electronic licensing system for these licenses. In calendar 2014, the clerk of court offices issued 893 State licenses, and the Clerk of the Court for Harford County issued 11 local licenses; these licenses are issued for the period April 1 through March 31.

Chapter 277 of 1939 established the State juke box license fee at \$15, which was subsequently reduced to \$10 by Chapter 683 of 1941. Chapter 588 of 1961 established the Harford County juke box license fee at \$10.

State Revenues: State and Harford County juke box licenses are issued by the circuit court clerks in local jurisdictions. The Judiciary (Administrative Office of the Courts) advises that it collected \$8,930 in calendar 2014 from State juke box license fees, \$446.50 of which accrued to the general fund. The Clerk of the Court for Harford County collected \$110 in calendar 2014 from Harford County licenses, of which \$3.30 accrued to the general fund. Therefore, assuming that the number of licenses issued remains relatively constant on an annual basis, eliminating the license fees does not materially affect general fund revenues. Moreover, removal of the penalty provision is not anticipated to materially affect State revenues.

Local Revenues: The Judiciary (Administrative Office of the Courts) advises that it collected \$8,930 in calendar 2014 from State juke box license fees, \$8,483.50 of which was distributed to local governments. Harford County received an additional \$106.70 from its local licensing requirement. Therefore, assuming that the number of licenses issued remains relatively constant on an annual basis, eliminating the license fees does not materially affect local government revenues.

Additional Information

Prior Introductions: None.

Cross File: HB 745 (Delegate Reilly, *et al.*) - Economic Matters.

Information Source(s): Judiciary (Administrative Office of the Courts), Comptroller's Office, Harford County, Department of Legislative Services

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