

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1069
Economic Matters

(Prince George's County Delegation)

Education, Health, and Environmental Affairs

Prince George's County - Alcoholic Beverages - Entertainment Concessionaire
and Facility Licenses
PG 311-16

This bill establishes an entertainment facility (EF) license and an entertainment concessionaire (EC) license in Prince George's County and authorizes the Prince George's County Board of License Commissioners to issue an EF license and an EC license. Each license permits the sale of beer, wine, and liquor within the video lottery terminal (VLT) facility licensed to operate in Prince George's County. The EF annual license fee is \$22,000; the EC annual license fee is \$5,000.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County license revenues increase between \$68,300 and \$91,100 in FY 2017 and between \$62,000 and \$82,000 annually beginning in FY 2018. Prince George's County can handle any enforcement activity with existing resources.

Small Business Effect: Minimal.

Analysis

Bill Summary: The EF license may be issued to the individual or entity owning an entertainment facility licensed to operate in Prince George's County. An applicant for the EF license need not meet any location, voting, or residency requirements. The holder of the EF license may sell beer, wine, and liquor by the glass or by the bottle in any location

of the entertainment facility, including a hotel that is not covered by an EC license, for consumption anywhere in the facility. The holder of an EC license may sell beer, wine, and liquor by the glass or by the bottle on the premises of the concessionaire for consumption anywhere in the facility, including a hotel.

Both the EF and the EC licenses authorize:

- the playing of music and dancing in their respective premises;
- the license holder to accept customer-earned credits for the service of food and alcoholic beverages for consumption in any location of the entertainment facility, including a hotel, that is not covered by an EC; and
- the sale and consumption of alcoholic beverages in a lounge that is no more than 2,000 square feet, in which license holders may serve and sell food.

The hours of sale for the EF and EC license are the same as the hours of operation for a video lottery facility established under State law.

Current law related to a special Sunday sales license in Prince George's County does not apply to the issuance of an EF or an EC license. An EF or an EC license may not be counted as a Class B or Class H license for the purposes of § 26-1103 of the Alcoholic Beverages Article, which allows for the issuance of an additional Class H license under certain conditions.

Current Law: A video lottery operation licensee may not provide food or alcoholic beverages to an individual at no cost, with the exception of hors d'oeuvres, pretzels, cheese, or crackers as allowed under statute. Food or alcoholic beverages offered by a video lottery operation licensee may be offered only at prices that are determined by the county alcoholic beverages licensing authority to be commensurate with the price of similar types of food and alcoholic beverages at restaurants in the county in which the video lottery facility is located.

A video lottery operation licensee must ensure that intoxicated individuals are not allowed to play video lottery terminals and are not allowed in areas of the video lottery facility where video lottery terminals are located. The Code of Maryland Regulations requires security operating procedures that ensure that intoxicated individuals are prohibited from entering the video lottery facility or, if necessary, immediately removed from the facility. A video lottery facility may operate 24 hours a day.

Background: The State of Maryland has authorized and awarded six video lottery operation licenses in Baltimore City and Allegany, Anne Arundel, Cecil, Prince George's, and Worcester counties with a maximum number of 16,500 VLTs allotted in the State. Five casinos are currently operating in Maryland, with the sixth casino, MGM National Harbor, LLC, expected to open in fiscal 2017.

In Anne Arundel County, in which a VLT facility currently operates, there is a Class EF license which authorizes the holder to sell beer, wine, and liquor on any premises of the entertainment facility that is not covered by an entertainment concessionaire license for consumption anywhere in the entertainment facility, during the days and hours the facility is open for business. The annual license fee is \$7,500.

In Cecil County, in which a VLT facility currently operates, there is a Class EF license which authorizes the holder to sell beer, wine, and liquor by the drink and by the bottle, from one or more outlets in the entertainment facility, for consumption anywhere within the entertainment facility, during the days and hours the facility is open for business. The holder of a Class EF license may not sell alcoholic beverages for off-sale consumption. The annual license fee is \$15,000.

The Worcester County VLT facility is located at the Ocean Downs Racetrack. The racetrack license in Worcester County allows for the sale of beer, wine, and liquor within the confines of the racing park, for a fee of \$1,500 each year, which entitles the holder to sell at one or more locations within its park.

Local Fiscal Effect: Prince George's County advises that between 8 and 12 businesses within the VLT facility would meet the description of a concessionaire. Given the \$22,000 EF annual license fee, the \$5,000 EC license fee, and the one-time \$700 application fee for each licensee, license revenues may increase between \$68,300 and \$91,100 in fiscal 2017. Estimated revenues increase between \$62,000 and \$82,000 annually beginning in fiscal 2018.

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 Revised - House Third Reader - March 30, 2016

Analysis by: Michelle Davis

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