

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 879

(Senator Edwards)

Education, Health, and Environmental Affairs

Economic Matters

Garrett County - Alcoholic Beverages - Various Licenses

This bill establishes specified 7-day alcoholic beverages licenses and sets both annual and one-time new license issuing fees in Garrett County. The bill establishes that the one-time new license issuing fee is equal to the annual license fee. Currently, all licenses in Garrett County are effectively 6-day licenses. The board may issue a separate “Sunday sales option” to a holder of an eligible license for an additional \$250 fee. The bill extends, from 2 to 5, the number of days that specified license holders may accept returns after the expiration of a wine festival license. The bill also exempts from a specified hearing requirement an application for a Class C multiple-day beer license; beer and wine (BW) license; and beer, wine, and liquor (BWL) license if (1) the license holder anticipates attendance of fewer than 500 individuals at the event and (2) the board has approved a license for the license holder in the prior year.

Fiscal Summary

State Effect: None.

Local Effect: Garrett County revenues may increase by an indeterminate amount beginning in FY 2018 due to one-time new license fees being collected by applicants for the new 7-day licenses and decline by an indeterminate amount in the out-years due to the elimination of revenue collected for the Sunday sales option.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill establishes separate 7-day licenses and sets fees for specified licenses as described in **Exhibit 1**.

Exhibit 1
Annual License Fees in Garrett County

	Current				Proposed			
	<u>Beer</u>	<u>Wine</u>	<u>BW</u>	<u>BWL</u>	<u>Beer</u>	<u>Wine</u>	<u>BW</u>	<u>BWL</u>
Class A								
6-day	\$150	\$50	\$350		\$150	\$50	\$350	
7-day*	N/A	N/A	N/A		175	60	410	
Class B								
6-day	150		350	\$1,500	150		350	\$1,500
7-day*	N/A		N/A	N/A	175		410	1,750
6-day with catering privilege	250		475	2,000	250		475	2,000
7-day with catering privilege*	N/A		N/A	N/A	275		535	2,250
Class BDR (deluxe restaurant)								
6-day			500	2,250			500	2,250
7-day*			N/A	N/A			585	2,625
6-day with catering privilege			625	2,750			625	2,750
7-day with catering privilege*			N/A	N/A			710	3,125
Class B-B&B (bed and breakfast)								
6-day 5 or fewer rooms				25				25
7-day 5 or fewer rooms*				N/A				30
6-day 6 to 10 rooms				50				50
7-day 6 to 10 rooms*				N/A				60
6-day 11 or more rooms				75				75
7-day 11 or more rooms*				N/A				90

	Current				Proposed			
	<u>Beer</u>	<u>Wine</u>	<u>BW</u>	<u>BWL</u>	<u>Beer</u>	<u>Wine</u>	<u>BW</u>	<u>BWL</u>
Class B-resort								
6-day two facilities				\$3,000				\$3,000
7-day two facilities*				N/A				3,500
6-day each additional facility				1,500				1,500
7-day each additional facility*				N/A				1,750
Class C (club and organization)								
6-day				1,500				1,500
7-day*				N/A				1,750
Class D								
6-day	\$150		\$350		\$150		\$350	
7-day*	N/A		N/A		175		410	
6-day with catering privilege			475				475	
7-day with catering privilege*			N/A				535	
Class D (75% on-sale)								
6-day				1,500				1,500
7-day*				N/A				1,750
6-day with catering privilege				2,000				2,000
7-day with catering privilege*				N/A				2,250
Class D (75% off-sale)								
6-day				3,000				3,000
7-day*				N/A				3,500

*Indicates license created under the bill

Note that a new license holder is required to pay, in addition to the annual license fee, a one-time new license issuing fee equal to the amount of the annual license.

Source: Department of Legislative Services

Current Law: All licenses issued in Garrett County are effectively 6-day licenses. The board may issue a separate Sunday sales option to a holder of an eligible license for an additional \$250 fee.

Local Fiscal Effect: Garrett County advises that license fee revenues may fluctuate, by an indeterminate amount, depending on the precise mix of license fee adjustments as a result of the creation of specified 7-day licenses. The new 7-day licenses will generally have the effect of making the Sunday sales option superfluous (though the bill does not repeal the Sunday sales option). However, revenues likely increase in fiscal 2018 due to one-time new license fees being collected by applicants for the new 7-day licenses that replace the current 6-day license plus the Sunday sales option. Because the Garrett County license renewal cycle begins in July of each year, the bill will not impact licenses until July 2017, the beginning of fiscal 2018.

Garrett County advises that there are currently 73 alcoholic beverages licenses issued for use in the county and that 48 have purchased the Sunday sales option. Only one wine festival license is issued each year.

Small Business Effect: Some small business owners will see a decrease in expenditures in instances where the proposed 7-day fee is less than the total fee for the 6-day license plus the Sunday sales option. However, small businesses who hold a Class BDR or Class B-resort license will pay more if required to purchase the 7-day license as opposed to the 6-day with a Sunday sales option. Expenditures will also increase to pay the one-time new license issuing fee.

Additional Information

Prior Introductions: None.

Cross File: HB 1072 (Delegate Beitzel) - Economic Matters.

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

Fiscal Note History: First Reader - February 19, 2016
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