

Department of Legislative Services
 Maryland General Assembly
 2017 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1324 (Prince George's County Delegation)
 Economic Matters

Prince George's County - Alcoholic Beverages - Commission to Study Licensing
 and Regulation of Sales
 PG 311-17

This bill establishes a Commission to Study the Licensing and Regulation of Establishments Selling Alcoholic Beverages in Prince George’s County. The Comptroller must provide staff for the commission. The Commission must report its findings and recommendations to the Governor and the General Assembly by January 1, 2018.

The bill takes effect June 1, 2017, and terminates June 30, 2018.

Fiscal Summary

State Effect: General fund expenditures for the Comptroller’s Office increase by \$35,600 in FY 2018 for a part-time contractual administrator to assist the commission. Revenues are not affected.

| (in dollars) | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|----------------|------------|---------|---------|---------|---------|
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| GF Expenditure | 35,600 | 0 | 0 | 0 | 0 |
| Net Effect | (\$35,600) | \$0 | \$0 | \$0 | \$0 |

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Prince George’s County can implement the bill with existing budgeted resources.

Small Business Effect: None.

Analysis

Bill Summary: The commission is required to study the licensing and regulation of establishments selling alcoholic beverages in Prince George’s County and recommend ways to improve the process of issuing licenses and regulating alcohol sales, including measures to make the process more fair, effective, and responsive to community needs. The commission must take into account:

- the types of licenses used;
- the regulation of license holders;
- the enforcement of alcoholic beverages laws and regulations; and
- the best practices of other jurisdictions.

Current Law/Background: The Prince George’s County Board of License Commissioners may adopt regulations (1) regarding the presence of any individual under the age of 21 on a premises licensed to sell alcoholic beverages; (2) regarding licensed premises and the conduct of business by license holders and their employees in relation to the sale and consumption of alcoholic beverages; (3) requiring the maintenance of records on the licensed premises by the license holder; and (4) maintaining standards for sanitation and health.

The Comptroller’s Office advises that, in fiscal 2016, there were a total of 617 alcoholic beverages licenses issued in Prince George’s County. **Exhibit 1** shows the total number of licenses in each category.

Exhibit 1
Prince George’s County Fiscal 2016 Alcoholic Beverages Licenses

| <u>License Type</u> | <u>Beer</u> | <u>Beer and Wine</u> | <u>Beer, Wine, and Liquor</u> |
|---------------------|-------------|----------------------|-------------------------------|
| Class A | 4 | 7 | 138 |
| Class B | 4 | 27 | 315 |
| Class C | 0 | 1 | 41 |
| Class D | 32 | 48 | 0 |
| Total | 40 | 83 | 494 |

Source: Office of the Comptroller

State Expenditures: The Comptroller’s Office has determined that one regular full-time position is needed to implement this bill. However, the Department of Legislative Services advises that the added responsibilities incurred by this legislation are not permanent and,

thus, may be performed by contractual employees. This estimate reflects the cost of hiring one part-time contractual administrator to assist the commission with the necessary research and to prepare the required study. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses for the duration of the commission. The estimate also assumes a 30-day start-up delay, meaning that there is no cost in fiscal 2017.

| | |
|---------------------------------|-----------------------|
| | <u>FY 2018</u> |
| Salary and Fringe Benefits | \$30,612 |
| Operating Expenses | <u>4,953</u> |
| Total State Expenditures | \$35,565 |

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County; Comptroller's Office; Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2017
fn/tso

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