

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 294 (Prince George's County Delegation)
Economic Matters

Prince George's County - Alcoholic Beverages - Family Entertainment Permit
PG 304-20

This bill extends the time that a family entertainment permit holder may provide entertainment in Prince George's County, from midnight to 2 a.m. the following day. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues may be affected. To the extent the board issues additional family entertainment permits under the bill, revenues increase; however, revenues decrease to the extent licensees change the type of permit they hold. Prince George's County can handle any additional enforcement activity with existing resources.

Small Business Effect: Minimal overall, but potentially meaningful for a small business that may wish to hold a family entertainment permit instead of an entertainment permit.

Analysis

Current Law: Chapter 585 of 2019 established the family entertainment permit, which the board may issue to a Class B licensee upon determination that:

- the licensed establishment provides family entertainment;
- the seating capacity of the room in which the entertainment is to be performed does not exceed 110 individuals;

- the establishment will allow underage persons to view the entertainment and will not offer adults-only entertainment;
- average daily receipts from the sale of food will be at least 60% of the total daily receipts from the sale of food and drink in the establishment;
- the establishment will offer the same menu throughout the establishment and while the entertainment is provided; and
- the prices for food and drink in the room where the entertainment is to be performed will not vary from the prices for food and drink offered elsewhere in the establishment.

The family entertainment permit authorizes the permit holder to impose a cover charge and provide entertainment. The board is required to determine (1) the number of days per week that a permit holder may exercise the privileges of the permit and (2) the hours that the permit may be in effect. Permit holders may not offer entertainment after midnight. The annual fee for the permit is \$250.

Prince George's County Entertainment Permit

The board may issue an entertainment permit to a Class B license holder who meets specified requirements. The permit authorizes the permit holder to, after 9 p.m. and until 2 a.m. the following day, impose a cover charge, offer facilities for patron dancing, and provide entertainment. The board determines the number of days per week that a permit holder may exercise the privileges of the permit. The board may restrict, at any time, the type of entertainment a permit holder may offer. The annual permit fee is \$1,500. With specified exceptions, a permit holder may not, when the privileges of the permit are exercised, allow an individual under age 21 on the premises for which the permit is issued.

Background: In fiscal 2019, there were 616 alcoholic beverages licenses issued in Prince George's County, 349 of which were Class B licenses.

Local Fiscal Effect: Prince George's County revenues increase by \$250 for every new family entertainment permit issued under the bill. However, Prince George's County advises that an estimated 10 licensees that currently have an entertainment permit (\$1,500 annual fee) may instead wish to obtain a family entertainment permit, which has a lower annual fee. For each entertainment permit holder that wishes to obtain a family entertainment permit instead, revenues decrease by \$1,250. If the estimated 10 licensees change their permit type, Prince George's County revenues decrease by \$12,500.

Small Business Effect: Expenditures decrease by \$1,250 for small businesses that currently hold an entertainment permit but instead obtain a family entertainment permit under the bill.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 14, 2020

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