

Department of Legislative Services  
Maryland General Assembly  
2021 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

House Bill 974

(Prince George's County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

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Prince George's County - Alcoholic Beverages - License Sanctions and Sunday  
Off-Sale Permits  
PG 317-21

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This bill authorizes the Prince George's County Board of License Commissioners to issue a Sunday off-sale permit to *any* Class A or Class B license holder with an off-sale privilege. An applicant for a Sunday off-sale permit must commit to spending a minimum of \$50,000 to rehabilitate and renovate the licensed premises within one year after the permit is issued. The board must adopt regulations to implement the spending requirements. By January 1, 2023, the board must conduct a study of Sunday off-sale permits to determine (1) how many permit holders failed to make the required reinvestment and (2) how many times the reinvestment requirement was waived. The board must submit the report to the Prince George's County Executive, the General Assembly, and the Prince George's County House Delegation of the General Assembly. **The bill takes effect July 1, 2021.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Prince George's County revenues increase by \$195,000 in FY 2022 and by \$148,500 annually thereafter from additional Sunday off-sale permits issued under the bill. County revenues may also additionally increase by a minimal amount due to the bill's penalty provisions. Prince George's County can likely handle any additional enforcement activity and complete the required report with existing resources.

**Small Business Effect:** Minimal overall but potentially meaningful to small businesses who obtain a Sunday off-sale permit under the bill.

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## Analysis

**Bill Summary:** The board must waive the spending requirement for a holder of a Class B beer, wine, and liquor license with an off-sale privilege that acquired the license after January 1, 2016, if the holder can show that a minimum of \$50,000 was spent within the three-year period immediately preceding the submission of the application. The board must revoke the permit and impose a fine up to \$5,000 if the requirement is not waived and the permit holder fails to spend the money required.

The board must also revoke a license if a license holder or a stockholder of a corporation that uses the license is convicted of a felony that is related to operations under license. In the case of a conviction, the board may not approve a license renewal until at least 10 years have lapsed after the date of the felony conviction. In addition to any administrative penalty that may apply, a license holder, or an employee of a license holder who violates specified provisions of the Alcoholic Beverages or Criminal Law Articles is guilty of a misdemeanor and on conviction is subject to imprisonment up to 2 years or a fine of \$2,000, or both.

### Current Law:

#### *Sunday Off-sale Permits*

Generally, in Prince George's County, Sunday off-sale permits can be issued to a Class A beer, wine, and liquor license holder or a Class B beer, wine, and liquor license holder with an off-sale privilege. The permit authorizes the sale of alcoholic beverages for consumption off the licensed premises on Sunday only from 8 a.m. to midnight.

Sunday off-sale permits may be issued to holders of a Class A beer, wine, and liquor license that acquired the license on or after January 1, 2016. Five Sunday off-sale permits may be issued to holders of a Class B beer, wine, and liquor license with an off-sale privilege that acquired the license on or after January 1, 2016.

An applicant for a special Sunday off-sale permit must commit to reinvesting a minimum of \$50,000 in the business within one-year after the permit is issued. The board may waive the reinvestment requirement. The board must waive the reinvestment requirement for a holder that acquired the license by January 1, 2016, if the holder has reinvested \$50,000 within the three-year period immediately preceding the submission of the application. The board must revoke the permit if the requirement is not waived and the reinvestment is not made.

No more than 105 Sunday off-sale permits may be in effect at any one time. The board may not issue a special Sunday off-sale permit to license holders that have violated restrictions on selling liquor on Sunday, as specified.

The application fee for a Sunday off-sale permit is \$750. The annual permit fee is \$2,590 for Class A beer, wine, and liquor license holders, and \$1,080 for Class B beer, wine, and liquor license holders with off-sale privileges. These permit fees are in addition to the annual fees for Class A and Class B licenses to which the permit is attached.

### *Licensee Violations*

In general, an application for an alcoholic beverages license must, among other things, state (1) that the applicant has never been convicted of a felony; (2) whether the applicant has ever been found guilty of violating a law in the State; (3) that the applicant has not had a license for the sale of alcoholic beverages revoked; or (4) whether the applicant has been found guilty of violating a State or federal law.

A local licensing board must deny a license renewal application if the license holder was convicted of a State or federal offense that renders the license holder unfit or unqualified to obtain a renewed license. If a license renewal application is denied, the local licensing board must hold a public hearing before renewing a license and inquire into all relevant facts and circumstances concerning the offense at the hearing.

A license holder or employee of a license holder may not sell or provide alcoholic beverages to an individual under the age of 21 years. If person violates this provision and no penalty other than suspension or revocation of a license or permit is provided, the person is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 2 years or \$1,000.

**Local Fiscal Effect:** Prince George's County advises that 54 Class A licensees may wish to obtain a permit under the bill. County revenues increase by \$2,590 per additional permit issued to a Class A liquor license. In addition, there is an initial \$750 application fee for each permit. Assuming 54 additional Class A license holders obtain a Sunday off-sale permit, revenues increase by \$180,360 from additional Class A permits issued under the bill in fiscal 2022, and \$139,860 annually thereafter.

In addition, Prince George's County advises that eight Class B licensees will acquire a permit under the bill. County revenues increase by \$1,080 per additional permit issued to a Class B license. In addition, there is an initial \$750 application fee for each permit. Assuming eight additional locations obtain a Sunday off-sale permit, revenues increase by \$14,640 from additional Class B permits issued under the bill in fiscal 2022, and \$8,640 annually thereafter.

In total, Prince George's County revenues are estimated to increase up to \$195,000 in fiscal 2022, and \$148,500 annually thereafter under the bill.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

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

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