

Department of Legislative Services  
Maryland General Assembly  
2023 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 436

(Prince George's County Delegation)

Economic Matters

Finance

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Prince George's County - Alcoholic Beverages - Licensing  
PG 305-23

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This bill authorizes the Prince George's County Board of License Commissioners to approve the transfer of a Class A beer, wine, and liquor license to a premises located in a specified area of the county if there is no Class A beer, wine, and liquor license operating within one mile of the premises. The bill also updates provisions of law pertaining to the issuance of Class B-DD (Development District) 7-day beer, wine, and liquor licenses in the county, as specified, and establishes an annual license fee of \$5,000 for a specified Class B-DD license with *off-sale* privilege. **The bill takes effect July 1, 2023.**

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Prince George's County revenues increase beginning in FY 2024 to the extent Class B-DD alcoholic beverages licenses are issued under the bill. Prince George's County can handle any additional enforcement activity using existing budgeted resources.

**Small Business Effect:** Minimal overall, but potential meaningful to a small business that obtains a transferred Class A beer, wine, and liquor license or a Class B-DD license under the bill.

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## Analysis

### Bill Summary:

#### *Class B-DD (Development District) Licenses*

The board may issue a Class B-DD (Development District) 7-day beer, wine, and liquor license with an off-sale privilege for each specified area located outside the Capital Beltway for use in one restaurant in the area if (1) the restaurant has at least 100 permanent seats; (2) the combined area of the kitchen, bar, and dining area of the restaurant is greater than 3,500 square feet, as specified; (3) the restaurant is located at least one mile from any other Class A beer, wine, and liquor or Class B-Plus beer, wine, and liquor license exercising off-sale privileges; (4) the restaurant has at least \$1,000,000 in capital investments, as specified; (5) the individual applicants holding a combined ownership interest of at least 75% in the restaurant have operated a restaurant in the county that has held an alcoholic beverages license for at least seven years before filing an application; (6) the restaurant is open at least five days per week and serves lunch and dinner at least five times per week; and (7) the restaurant does not hold an ownership interest in more than two restaurants with an off-sale privilege, as specified.

A holder of the above Class B-DD (Development District) license with an off-sale privilege must maintain a designated “off-sale” beverage product area that is separate from onsite consumption areas. The designated area dedicated to the sale of alcoholic beverages for off-premises consumption must not be greater than 3,500 square feet, as specified, and must be contiguous to the primary restaurant. Off-sale privileges under the license authorize the license holder to sell beer, wine, and liquor for off-premises consumption on Monday through Sunday, from 9:00 a.m. to 10:00 p.m.

The bill clarifies that to be eligible for a Class B-DD license, an applicant must have average daily receipts from the sale of food and nonalcoholic beverages that exceed the average daily receipts from the sale of alcoholic beverages for *on-premises consumption only*.

The bill repeals the prohibition of the board issuing a Class B-DD license in a specified area where six restaurants are operating with a Class B-DD license.

The bill authorizes the board to issue up to five Class B-DD licenses to restaurants located within the South Lake mixed-use development instead of the Karington mixed-use development. The bill also authorizes the board to issue up to 50 Class B-DD licenses to restaurants located on Central Avenue within the area from the Capital Beltway to the District of Columbia border.

**Current Law:** In Prince George’s County, a Class B-DD (Development District) 7-day beer, wine, and liquor license may be issued to a restaurant in any single designated development district, as specified. The license authorizes the license holder to sell beer, wine, and liquor for on-premises consumption. The annual license fee is \$3,025.

Generally, the board may not issue a new license with an off-sale privilege or approve the transfer of a license with off-sale privilege into the 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, or 47th alcoholic beverages district in the county unless the off-sale privilege of the license is waived or otherwise authorized, as specified.

**Local Revenues:** For each additional Class B-DD license that Prince George’s County issues under the bill, county license fee revenues increase by \$3,025 or \$5,000 if the license is a specified Class B-DD off-sale license. Prince George’s County was unable to provide an estimate of the number of additional Class B-DD licenses that may be issued under the bill.

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### **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - February 17, 2023  
js/tso Third Reader - March 23, 2023  
Revised - Amendment(s) - March 23, 2023

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