

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 476

(St. Mary's County Delegation)

Economic Matters

Finance

St. Mary's County - Alcoholic Beverages - Class A License Quota

This bill increases, from 1,350 to 4,000 individuals, the quota used by the St. Mary's County Board of License Commissioners when issuing Class A alcoholic beverages licenses in the 8th election district of the county. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: None.

Local Effect: St. Mary's County revenues may decrease beginning in FY 2026 to the extent fewer Class A alcoholic beverages licenses are issued in the county's 8th election district under the bill's new license quota. St. Mary's County expenditures are not affected.

Small Business Effect: Potential Meaningful.

Analysis

Current Law: The board may not issue more than one Class A license for every 1,350 individuals in an election district in the county or approve the transfer of a Class A license from one election district to another unless the transfer can be made without exceeding the license quota. The board must use the population statistics from the most recent St. Mary's County Planning Commission annual report to maintain the licensing quota.

The board issues various Class A licenses throughout the county that generally authorize license holders to sell beer, wine, and/or liquor for off-premises consumption, as specified.

Local Fiscal Effect: St. Mary's County advises the population of the 8th election district is 41,565. Therefore, there is a maximum number of 30 Class A licenses that can be issued in the 8th election district under current law and this number is reduced to a maximum number of 10 Class A licenses under the bill's new quota for the 8th election district. The county further advises there are currently 20 Class A alcoholic beverages licenses that have been issued in the 8th election district. Therefore, St. Mary's County revenues from Class A licenses decrease, beginning in fiscal 2026, to the extent the number of Class A licenses issued in the 8th election district decreases under the bill.

St. Mary's County advises it is the county's intent to maintain the number of Class A licenses issued in the 8th election district at the current level of 20 licenses and the number of Class A licenses issued in the 8th election district would only decrease if a business license was canceled, revoked, or the business owner otherwise failed to renew a license.

Small Business Effect: There are nine election districts in St. Mary's County. The bill reduces the maximum number of Class A licenses that can be issued in the county's 8th election district to one Class A license for every 4,000 individuals that live in the 8th election district while maintaining the quota under current law for the county's other eight election districts at one Class A license for every 1,350 individuals. Therefore, the bill would have a potential meaningful impact to the extent small businesses are unable to obtain Class A licenses in the county's 8th election district under the bill's more restrictive quota for the 8th election district.

Additional Information

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

Designated Cross File: None.

Information Source(s): St. Mary's County; Department of Legislative Services

Fiscal Note History: First Reader - February 10, 2025
rh/tso Third Reader - March 18, 2025

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