

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE
Revised

House Bill 591

(Anne Arundel County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

Anne Arundel County - Alcoholic Beverages - Tasting Licenses

This bill creates a Class BWLT beer, wine, and liquor (on-premises) tasting license in Anne Arundel County. A Class BWLT license may only be issued to a holder of a Class A beer, wine, and liquor (off-premises) license. The bill also modifies the eligibility requirements for a Class BWT beer and wine (on-premises) tasting license by specifying that the license may only be issued to a holder of a Class A beer, wine, and liquor (off-premises) license or a Class A beer and wine (off-premises) license instead of a Class BWL beer, wine, and liquor (on-premises) license or a Class BW beer and wine (on-sale) license. The bill increases, from \$50 to \$150, the annual fee for a Class BWT license and establishes a \$500 fee for a Class BWLT license. The annual fee for the Class BWLT license and the Class BWT license is in addition to the Class A annual license fee.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County revenues increase by at least \$10,300 annually due to the collection of Class BWLT license fees and the increase in the Class BWT license fee. Expenditures are not materially affected.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The Class BWLT license authorizes a holder to allow the on-premises consumption of the following alcoholic beverages for tasting or sampling purposes only:

- liquor in a quantity not exceeding one-half ounce from each of any of five brands to any one person in a day;
- light wine in a quantity not exceeding one ounce from each brand to any one person; and
- beer in a quantity not exceeding three ounces to any one person.

Current Law: A Class BWT license authorizes a holder to allow the on-premises tasting or sampling of wine and beer in the same quantities that the bill authorizes under a Class BWLT license. A Class BWT license may only be issued to a holder of a Class BWL beer, wine, and liquor (on-premises) license or a Class BW beer and wine (on-sale) license. The annual fee for a Class BWT license is \$50, which is in addition to the Class BWL or Class BW annual license fee.

Background: The bill's provisions are similar to provisions that were in effect from July 1, 2010, through June 30, 2013, pursuant to Chapter 444 of 2010. However, this bill, unlike Chapter 444, (1) limits the issuance of a Class BWLT license to a holder of a Class A beer, wine, and liquor (off-premises) license rather than a Class BWL beer, wine, and liquor (on-premises) license and (2) limits the issuance of a Class BWT license to a holder of a Class A beer, wine, and liquor (off-premises) license or a Class A beer and wine (off-premises) license rather than a Class BWL beer, wine, and liquor (on-premises) license or a Class BW beer and wine (on-sale) license.

Local Revenues: Anne Arundel County revenues are expected to increase by at least \$10,300 annually due to the collection of Class BWLT license fees (\$500 for each license) and the \$100 increase in the Class BWT license fee.

There were 10 BWST (the name of the similar license issued under Chapter 444) licenses issued in Anne Arundel County when Chapter 444 terminated, and it is expected that the number of licensees may be greater than 10 if this bill is enacted. Therefore, based on the \$500 per license fee, it is assumed that at least \$5,000 in revenue is generated from BWLT license fees.

There are currently 53 BWT licenses issued in Anne Arundel County. The \$100 fee increase, therefore, increases annual BWT license fee revenues by \$5,300. The change in the type of license that must be held in order to also hold a BWT license is not expected to affect the number of licensees.

Small Business Effect: Small businesses may meaningfully benefit from additional sales generated under a BWLT license.

Additional Information

Prior Introductions: Similar legislation, HB 947 of 2010, was enacted as Chapter 444. As discussed above, Chapter 444 terminated June 30, 2013.

Cross File: SB 1015 (Senator Astle) – Education, Health, and Environmental Affairs.

Information Source(s): Anne Arundel County, Department of Legislative Services

Fiscal Note History: First Reader - February 12, 2014
ncs/lgc Revised - House Third Reader - March 19, 2014
Revised - Updated Information - May 6, 2014

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