

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1644
Economic Matters

(Delegate West, *et al.*)

Education, Health, and Environmental Affairs

Baltimore County - Alcoholic Beverages - Racetrack License

This bill authorizes the Baltimore County Board of License Commissioners to transfer one Class B or Class D beer, wine, and liquor (BWL) license, currently in existence for a location in Election District 15 (which includes the Essex and Middle River Areas of Baltimore County), to a specified location in Election District 8 at the Maryland State Fairgrounds owned by the Maryland State Fair and Agricultural Society. The license transferred must be converted to a Class B (MSF) (on-sale) BWL license. The Class B (MSF) license may not be transferred to a location outside the area for which the license was issued, or converted into another class of license. The location for the Class B (MSF) license must comply with all applicable zoning regulations. The issuance and renewal requirements, minimum square foot area requirement for food and beverage preparation and consumption, and hours and days of sale for the Class B (MSF) license are the same as those provided for a Class B beer, wine, and liquor (on-sale) hotel and restaurant license.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore County revenues decrease by a minimal amount. Expenditures are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: A license transferred under the bill (1) may not be a license that is prohibited from being transferred by law or board regulation, other than a prohibition against crossing district lines; (2) for determining the total number of licenses available in Election District 8, must be considered to be a regular license and not an exception to the population and numerical limitations specified in “Rule 19 - Population and Numerical Limitations” of the Rules and Regulations of the Board; and (3) as of the date of transfer, may not be counted toward any population limit existing in Election District 15.

Current Law: The annual license fee for both a Class B BWL license and a Class D BWL license is \$1,500.

Racetrack Licenses

The Baltimore County Board of License Commissioners may issue a racetrack BW license or a racetrack BWL license to the owner, concessionaire, or catering organization of a licensed racing establishment. There are no residential or voting qualifications for either license. The racetrack BW and racetrack BWL licenses authorize a holder to sell beer and wine, or beer, wine, and liquor, as appropriate under the respective license, at one or more locations on the premises of a racing park. The license fee for a racetrack BW license is \$25 for each day that the racing park is open and operating, and the license fee for a racetrack BWL license is \$50 for each day that the racing park is open and operating.

Class B BWL

Generally, a Class B BWL license in Baltimore County authorizes the holder to sell beer, wine, and liquor for consumption at a hotel or restaurant at the place described in the license, for on- or off-premises consumption. The license may be issued to establishments that meet specified criteria. With a specified exception, the area of the licensed premises normally used as a restaurant to prepare and consume food and beverages may occupy not less than 80% of the square foot area. A holder of a Class B BWL license may sell beer, wine, and liquor Monday through Sunday from 6 a.m. to 2 a.m. the following day.

Background: Baltimore County advises that it allows racing parks to apply for multiple single-day licenses and collects license fees for each day alcoholic beverages are sold, but the county does not currently issue an annual license to a racing park. According to the Department of Labor, Licensing, and Regulation, there is only one racing park, operated by the Maryland State Fair and Agricultural Society, in Baltimore County. According to Baltimore County, the Maryland State Fair and Agricultural Society applies for racetrack BWL licenses. No racing parks apply for the racetrack BW license. In fiscal 2015, 769 alcoholic beverages licenses were issued for use in Baltimore County.

Local Revenues: Baltimore County advises that, in fiscal 2015, no racetrack BWL or racetrack BWL licenses were issued, and thus no revenue was collected. To date, in fiscal 2016, the Maryland State Fair and Agricultural Society has applied for single-day racetrack BWL licenses for 28 days, from March 1, 2016 through March 28, 2016. As a result, revenues in fiscal 2016 to date total \$1,400. Baltimore County further advises that Election District 15, the district from which the Class B BWL or Class D BWL license will be transferred, currently contains 106 licenses to which the population limitation applies, despite a population limit of approximately 45 licenses. As a result, the transfer of the license to Election District 8 will not make another license available in Election District 15. Thus, *for illustrative purposes only*, assuming that racetrack BWL licenses are issued to one racing park for 28 days annually, the transfer of an existing license from Election District 15 to Election District 8, and the license's subsequent conversion to a Class B (MSF) license eliminating the need for single-day licenses results in a decrease in Baltimore County revenues of \$1,400 annually, beginning in fiscal 2017. This analysis assumes that the annual fee for the Class B (MSF) license will be \$1,500, the same as the original Class B or Class D license.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore County; Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - April 6, 2016
md/hlb Revised - House Third Reader - April 11, 2016

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