

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1047
Economic Matters

(Prince George's County Delegation)

Prince George's County - Alcoholic Beverages - Sunday Off-Sale Permits
PG 314-20

This bill repeals the limitation on the number of Sunday off-sale permits that the Prince George's County Board of License Commissioners may issue. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues increase by \$122,700 in FY 2021 and by \$93,500 annually thereafter from additional Sunday off-sale permits issued under the bill. Prince George's County can handle any additional enforcement activity with existing resources.

Small Business Effect: Minimal overall but potentially meaningful to small businesses who may apply for a Sunday off-sale permit.

Analysis

Current Law: Generally, in Prince George's County, Sunday off-sale permits can be issued to Class A or Class B beer, wine, and liquor license holders with off-sale privileges. 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 with an off-sale privilege that acquired the license on or after January 1, 2016. Only

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 may also 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 fee for the Class A and Class B license.

Background: In fiscal 2019, there were 616 alcoholic beverages licenses issued in Prince George's County. There were 139 Class A beer, wine, and liquor licenses, and 317 Class B beer, wine, and liquor licenses issued.

Local Fiscal Effect: Prince George's County advises that 105 Class A beer, wine, and liquor licensees currently hold a Sunday off-sale permit, and there are an additional 34 Class A licensees who may wish to obtain a permit under the bill. County revenues increase by \$2,590 per additional permit issued to a Class A beer, wine, and liquor license. In addition, there is an initial \$750 application fee for each permit. Assuming 34 additional Class A beer, wine, and liquor license holders obtain a Sunday off-sale permit, revenues increase by \$113,560 from additional Class A permits issued under the bill in fiscal 2021, and \$88,060 annually thereafter.

In addition, Prince George's County advises that five Class B beer, wine, and liquor licensees will acquire a permit under the bill. County revenues increase by \$1,080 per additional permit issued to a Class B beer, wine, and liquor license. In addition, there is an initial \$750 application fee for each permit. Assuming five additional locations obtain a Sunday off-sale permit, revenues increase by \$9,150 from additional Class B permits issued under the bill in fiscal 2021, and \$5,400 annually thereafter.

In total, Prince George's County revenues are estimated to increase up to \$122,710 in fiscal 2021, and \$93,460 annually thereafter under the bill.

Additional Information

Prior Introductions: HB 1363 of 2019 received a hearing in the House Rules and Executive Nominations Committee, but no further action was taken.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 13, 2020
mr/tso

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