

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 880
Economic Matters

(Allegany County Delegation)
Education, Health, and Environmental Affairs

Allegany County - Alcoholic Beverages Licenses - Annual Fees

This emergency bill authorizes the Allegany County Board of License Commissioners to reimburse license holders for certain annual fees, as specified, for the 2020-2021 licensing period. The bill requires the board to waive or impose lower annual fees relating to the same types of licenses for the 2021-2022 licensing period. **The bill terminates June 30, 2023.**

Fiscal Summary

State Effect: None.

Local Effect: Allegany County expenditures increase by an estimated \$80,000 beginning in FY 2022 to the extent license holders are reimbursed for past license fees, as discussed below. Additionally, Allegany County revenues decrease by an estimated \$80,000 in FY 2022 due to license fees being waived. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Minimal overall, but potential meaningful impact for small business license holders that receive reimbursements and/or pay less in annual license fees.

Analysis

Bill Summary: For the 2020-2021 licensing period, the board may reimburse each license holder in the county (1) the entire amount of the annual fee for any alcoholic beverages license issued by the county that permits the holder to sell alcoholic beverages for on-premises consumption only and (2) an amount equal to one-half of the annual fee for any alcoholic beverages license issued by the county that permits the holder to sell alcoholic beverages for both on- and off-premises consumption.

For the 2021-2022 licensing period, the board must waive the entire amount of the annual fee for any alcoholic beverages license issued by the county that permits the holder to sell alcoholic beverages for on-premises consumption only and may only impose an amount equal to one-half of the annual fee for any alcoholic beverages license issued by the county that permits the holder to sell alcoholic beverages for both on- and off-premises consumption.

Current Law: Generally, the payment of annual fees for a local alcoholic beverages license in the State is made to the local collecting agent and these fees are then remitted to the county, as specified. An alcoholic beverages license holder is generally not entitled to a refund on the unearned portion of the license fee. However, refunds are authorized by State law if (1) the license holder goes into bankruptcy; (2) the license holder dies; (3) the license holder volunteers for or is drafted into the armed forces United States or an organized State militia; (4) the license holder surrenders the license and receives a new license of another class carrying a higher fee; (5) the license holder is found guilty of a crime and the license is revoked; (6) the issuance of the license by a local licensing board is reversed upon judicial review and the establishment is prohibited; or (7) the licensed premises is taken by the federal government, the State, or municipality for public use.

Local Fiscal Effect: Allegany County advises that, based on the value of the affected fees and the timeframe in which fees are typically paid and/or collected during the calendar year, the county estimates that approximately \$80,000 in license fees for each of the two licensing periods are affected. To the extent license holders are reimbursed for the 2020-2021 licensing period, county expenditures increase by approximately \$80,000, in fiscal 2022 only. The estimated \$80,000 in fees that must be waived for the 2021-2022 licensing period constitute decreased revenues for the county in fiscal 2022 only.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 679 (Senator Edwards) - Education, Health, and Environmental Affairs.

Information Source(s): Allegany County; Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2021
rh/tso Third Reader - March 17, 2021

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