

**Department of Legislative Services**  
Maryland General Assembly  
2013 Session

**FISCAL AND POLICY NOTE**

House Bill 1081  
Economic Matters

(Prince George's County Delegation)

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**Prince George's County - Alcoholic Beverages - Entertainment Permit -  
Exemption for Class BH Licensees  
PG 301-13**

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This bill exempts holders of a Class BH (hotel) alcoholic beverages license in Prince George's County from the requirement to obtain a separate special entertainment permit. The bill also defines a Class BH license to be a hotel that collects the county hotel occupancy tax from guests using the establishment.

The bill takes effect July 1, 2013.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Prince George's County revenues decrease by \$18,000, beginning in FY 2014, as the county would no longer collect special entertainment permit revenue from qualifying Class BH licensees.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law/Background:** Chapter 684 of 2010 (HB 558) authorized the Prince George's County Board of License Commissioners to issue a special entertainment permit to the holder of any Class B (on-sale) license. The board must determine the number of days in a week that the permit holder may exercise the privileges of the permit. The annual permit fee is \$1,500, which is in addition to the

annual fee for the Class B license. The permit authorizes a holder, after 9 p.m. and until 2 a.m., to impose a cover charge, offer facilities for patron dancing, and provide entertainment.

Chapter 613 of 2011 (HB 1119) provided that an alcoholic beverages license holder does not need an entertainment permit if the board determines that the licensee's principal business is to provide family entertainment or if the license is issued under related provisions applicable to:

- a restaurant for an agricultural association, agricultural fair association, or any other association duly authorized to conduct racing under the provisions of the Maryland Horse Racing Act;
- a Class B/ECF license (beer, wine, and liquor), known as an "educational conference facility" license, to the University of Maryland University College Center of Adult Education;
- a Class B-CI license (country inns);
- Class B-ECR license (Maryland-National Capital Park and Planning Commission's Equestrian Center);
- a Class B-ECF/DS beer, wine, and liquor on-sale license (Education Conference Facility/Dining Service license);
- a Class B beer, wine, and liquor stadium license;
- a Class B (TP) beer, wine, and liquor theme park license; or
- a Class B-CC (convention center) beer, wine, and liquor license.

Chapter 613 requires an entertainment permit holder to meet all applicable county law requirements and clarifies that a prohibition applicable to underage persons being allowed on the premises applies during the time the entertainment permit privileges are in use.

Chapter 137 of 2012 (HB 817) further exempted establishments that hold (1) a Class B (on-sale) restaurant license that provides entertainment for adults and children that is ancillary to the business and not the primary focus of marketing or promotion for the business; and (2) a Class C veterans or fraternal license that provides entertainment under direct supervision of the license holder for adults, children, and families of the organization or the public ending no later than midnight.

The current hotel occupancy tax in Prince George's County is 5%.

**Local Fiscal Effect:** Prince George's County reports that there are currently 12 Class BH licensees who are issued special entertainment permits, and the annual fee for this permit is \$1,500. Assuming the number of Class BH licensees who currently

seek special entertainment permits remains constant, county revenues would decrease by \$18,000 annually, beginning in fiscal 2014.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 21, 2013  
mc/hlb

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