

**Department of Legislative Services**  
Maryland General Assembly  
2010 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 558  
Economic Matters

(Prince George's County Delegation)

Education, Health, and Environmental Affairs

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**Prince George's County - Alcoholic Beverages - Entertainment Permit**  
**PG 315-10**

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This bill authorizes 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.

The bill specifies (1) hearing requirements for the issuance, renewal, and revocation of an entertainment permit; (2) requirements for security plans for affected establishments; and (3) procedural requirements and penalties for violations.

The bill takes effect July 1, 2010.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Potential significant increase in revenue for Prince George's County from license fees and penalties. It is assumed that enforcement can be handled with existing local resources.

**Small Business Effect:** Potential minimal increase in revenues for Class B (on-sale) license holders who conduct successful events as a result of the permit created by the bill.

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## Analysis

**Bill Summary:** The board must hold a public hearing before (1) approving an application for and issuing an entertainment permit; and (2) on receipt of a petition to revoke an entertainment permit or protest the renewal of a permit. At an entertainment permit hearing, supporters and opponents of the applicant must be given an opportunity to be heard. The board must consider specified factors when determining whether to approve the application and issue the permit, including (1) the fitness of the applicant; (2) whether the applicant has committed a fraudulent act in connection with the application; (3) whether the applicant has made any material false statements in the application; and (4) whether the operation of the business pursuant to the permit will disturb the peace of the residents of the surrounding neighborhood. The board is authorized to condition, restrict, or prohibit the type of entertainment offered by the permit holder at any time if, after a hearing, the board determines that the entertainment adversely affects or disturbs the peace of the community and is not conducive to the peace, health, welfare, or safety of the county's residents.

A permit applicant must submit satisfactory evidence to the board that he/she (1) holds a Class B license; (2) developed a security plan to ensure the peace and safety of the surrounding area; and (3) submitted the security plan for review by the board and the Chief of the Prince George's County Police Department. The chief may submit comments on the plan within 30 days of receipt of the plan, and the board may consider the chief's comments when deciding to issue or deny the permit or condition the issuance of the permit on changes to the security plan. If the board issues a permit with a security plan that is not supported by the chief, the board must specify in writing to the chief the reasons why the board determined that the plan was adequate. A permit holder must follow the approved security plan at all times during which the privileges of the permit are exercised.

The bill authorizes the permit holder to employ sworn security personnel as part of the security plan if certain conditions are met and authorizes the circuit court of the county to issue a temporary restraining order to immediately close the premises if the county establishes that the security plan has not been implemented and that emergency action is required to protect the health, safety, or welfare of the public. If a temporary restraining order is issued, the county must give the permit holder notice of the closure and the reasons behind it. The permit holder is entitled to an opportunity for a circuit court hearing on the issuance of the temporary restraining order, pursuant to the Maryland Rules.

The board is authorized to immediately suspend a permit if the board reasonably believes that the permit holder violated the terms and conditions of the permit. The board must provide notice of the suspension to the permit holder and hold a hearing within 30 days at

which the permit holder has an opportunity to be heard and present evidence. At the hearing, the board must determine if the permit holder committed a violation and what penalty to impose for violations. If the board determines that the permit holder did not commit a violation, the board must reinstate the permit immediately. If the board determines that the permit holder committed a violation, the board may revoke the permit or continue the suspension and must impose a penalty within specified monetary ranges. The penalty for a first offense must be at least \$1,000 but may not exceed \$12,500. The minimum penalty for a subsequent offense is \$5,000.

The board must revoke the permit of a person who violated the terms and conditions of the permit twice within a 24-month period and may not consider an application from the person for a new entertainment permit or an application for a new permit for the premises that was the subject of the revocation until at least 12 months after the order of revocation.

A permit holder may not allow an individual under the age of 21 years on the premises covered by the permit unless the individual is employed by or is an immediate family member of the permit holder.

The bill clarifies that the holder of an alcoholic beverages license issued by the board may not impose a cover charge, offer facilities for patron dancing, or provide entertainment unless the license holder is specifically authorized to do so and meets all requirements under county law.

The bill requires the board to report on the activities of permit holders and the impact of entertainment permits on the county by November 1, 2013. The report must be submitted to the Prince George's County House and Senate Delegations and must include (1) the amount of revenue raised by the permit fees; (2) the number of permits issued, suspended, or revoked; (3) the number of violations committed by permit holders; and (4) the number of complaints lodged against permit holders during fiscal 2011 – 2013.

**Current Law:** While some alcoholic beverages licenses in Prince George's County permit some entertainment – such as for charitable organizations, country inns, and convention centers – a special entertainment permit allowed under this bill does not currently exist.

**Local Revenues:** Prince George's County advises that approximately 135 establishments in the county are eligible for the permit. If all 135 establishments applied for the permit, county license fee revenues would increase by \$202,500.

## **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 17, 2010  
mlm/hlb Revised - House Third Reader - April 1, 2010

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