

Andrew Kleine

FROM	NAME & TITLE	Andrew Kleine, Chief
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (396-4941)
	SUBJECT	City Council Bill #08-0163

CITY of
BALTIMORE
MEMO



DATE:
February 9, 2009

TO
The Honorable President and
Members of the City Council
Room 400, City Hall

Attention: Ms. Karen Randle

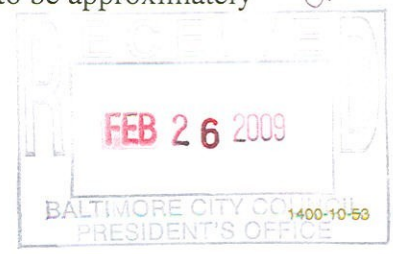
City Council Bill # 08-0163 seeks to delete live entertainment and dancing as a zoning use category; require the licensing of certain establishments that provide live entertainment or dancing; establish the Board of Licenses for Live Entertainment and provide for its powers and duties; establish an Office of Hospitality Services and proof for its powers and duties; define certain terms; impose certain penalties; and generally relate to the licensing and regulation of live entertainment and to the promotion and coordination of hospitality services.

Under the proposed legislation, the Board of Licenses for Live Entertainment would consist of five members. Board members would receive no compensation for services rendered as a member of the Board, but they are entitled to reimbursement for necessary and proper expenses incurred in performing their duties as a member. The Finance Department projects approximately \$1,200 in annual costs for Board meetings, assuming five Board members meet twice per month.

The bill also establishes an Office of Hospitality Services within the Mayor's Office. Assuming that the Office of Hospitality Services would require as much as five staff positions (one Director, one Secretary II, and two Inspector IIs), the Finance Department estimates that the annual operating cost for the office would be approximately \$315,600 including salaries, benefits, and \$50,000 in contractual services, materials, supplies, and equipment. This funding is not currently programmed in the City budget, but the proposed legislation includes a provision to set license fees, including annual renewal fees, at such a level as to cover the costs of the operation.

The bill allows for more than one class of license with varying fees by class. It is difficult to estimate at this point the amount of fee that would need to be set to cover the projected cost of the operation because it will depend on how many licensees are expected to apply for each class of license. The Liquor Board reports that there are currently approximately 200 venues with liquor licenses that provide live entertainment. If there were 200 businesses that would ultimately apply for the live entertainment license, the average license and renewal fee would need to be approximately \$1,584 to cover the costs of the operation (an average is presented because it is not yet known what classes of licenses would be established and how many applicants would fall under each class). If there were 300 businesses that would likely apply for the live entertainment license, then the average annual fee would need to be approximately

no obj. / comments



Page 2

City Council Bill #08-0163

\$1,056 to cover the costs of the operation. These license fees would be in addition to the fees charged for a liquor license.

The Finance Department does not oppose the proposed legislation as long as the appropriate fees are set to fully cover the operating costs associated with the program. Fees will need to be reviewed and adjusted on a regular basis to ensure that costs are being covered.

Cc: Edward J. Gallagher
Angela Gibson

Visit our website@www.baltimorecity.gov