

(PRE-FILED)

By: Senator Sfikas

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Assigned to: Economic and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

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CHAPTER _____

1 AN ACT concerning

2 **Baltimore City - Alcoholic Beverages**
3 **(Transferring and Renewing Licenses)**

4 FOR the purpose of prohibiting the transfer of an alcoholic beverages license into or
5 within certain areas of Baltimore City; establishing certain exceptions; including
6 certain areas of Baltimore City within a certain exception to certain restrictions on
7 the issuance and transfer of certain alcoholic beverages licenses; requiring certain
8 licensees to file certain information with each license renewal application;
9 authorizing the Board to require a licensee to obtain certain information under
10 certain circumstances; providing for the application of this Act; altering the
11 definition of a certain term; defining a certain term; and generally relating to the
12 transfer and renewal of alcoholic beverages licenses in Baltimore City.

13 BY repealing and reenacting, without amendments,
14 Article 2B - Alcoholic Beverages
15 Section 9-204.1(a)(4), (b), and (h)
16 Annotated Code of Maryland
17 (1994 Replacement Volume and 1995 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article 2B - Alcoholic Beverages
20 Section 1-102(a)(22), (26), and (27), 9-204.1(c) and (e), and 10-301(j)
21 Annotated Code of Maryland
22 (1994 Replacement Volume and 1995 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
24 MARYLAND, That the Laws of Maryland read as follows:

2

1 **Article 2B - Alcoholic Beverages**

2 1-102.

3 (a) (22) (i) 1. "Restaurant" means an establishment:

4 A. Which accommodates the public;

5 B. Which is equipped with a dining room with facilities for
6 preparing and serving regular meals; and

7 C. In which the average daily receipts from the sale of foods
8 exceed the average daily receipts from the sale of alcoholic beverages.

9 2. However the board of license commissioners in any county
10 [or in Baltimore City] by regulation may prescribe a different standard as to what
11 constitutes a restaurant.

12 3. FOR A RESTAURANT IN BALTIMORE CITY, THE AVERAGE
13 DAILY RECEIPTS FROM THE SALE OF FOOD MUST BE AT LEAST 40% OF THE TOTAL
14 DAILY RECEIPTS OF THE ESTABLISHMENT.

15 (ii) In Baltimore City, the term "food" as used in the definition of
16 "restaurant", whether the definition is established by State law or by regulations adopted
17 by the Board of License Commissioners, may not include any ingredient or garnish used
18 with or mixed with an alcoholic beverage that is prepared and served for consumption on
19 the licensed premises.

20 (iii) In Harford County a "restaurant" as used in § 5-201 of this article
21 means a business establishment for the accommodation of the public, fully equipped with
22 a proper and adequate dining room, tables, chairs and sufficient facilities for preparing
23 and serving regular meals, as may be approved by the Liquor Control Board. The Board
24 and Department of Health shall approve its sanitary facilities, running hot and cold water,
25 equipment for the proper cleaning of dishes and kitchenware and adequate toilets. At all
26 times there must be sufficient food on the premises for the regular serving of meals, with
27 a proper sign or signs in front of the establishment designating "restaurant" or food and
28 beverages sold, and not advertising any other business. In this establishment the average
29 gross monthly receipts from the sale of foods cooked or prepared and served on the
30 premises where the license is exercised, and other foods, commodities and items defined
31 by the Liquor Control Board, shall exceed 50 percent of the average monthly receipts
32 from the sale of beer and wine, except that a restaurant serving food and beverages whose
33 gross monthly receipts from the sale of food averages \$1,500 or more may not be required
34 to sell food and food commodities in excess of 50 percent of the average monthly receipts
35 from the sale of beer and wine.

36 (iv) The requirements of this section relating to average daily receipts
37 are not applicable to any licenses issued in Cecil County.

38 (26) IN BALTIMORE CITY, "TOTAL DAILY RECEIPTS" DOES NOT INCLUDE
39 SALES OF NOVELTY ITEMS, INCOME FROM VENDING MACHINES, OR OTHER
40 RECEIPTS NOT RESULTING FROM THE SALE OF FOOD OR BEVERAGES.

1 (27) "Wholesaler" means a person who purchases or imports any alcoholic
2 beverage for sale to wholesale or retail dealers only, and includes a county liquor control
3 board and a county wholesale dispensary.

4 [(27)] (28) "Wine" means any fermented beverage, including light wines, and
5 wines the alcoholic content of which has been fortified by the addition of alcohol, spirits
6 or other ingredients.

7 9-204.1.

8 (a) New licenses for the sale of alcoholic beverages may not be issued in:

9 (4) The 46th alcoholic beverages district of Baltimore City consisting of:

10 Baltimore City wards 1 and 2;

11 Ward 3, precinct 3 and part of precinct 1;

12 Ward 6, precincts 1, 6, and 7;

13 Ward 7, precincts 8 and 9; and

14 Ward 26, precincts 1 through 33 and 47 through 51.

15 (b) Licenses for the sale of alcoholic beverages of any class may not be transferred
16 into the areas of Baltimore City covered by this section.

17 (c) (1) Except as provided in subsection (h) of this section, the prohibitions in
18 this section do not apply to special 1-day licenses or to Class B beer, wine and liquor
19 restaurant licenses to bona fide restaurants having:

20 (i) A minimum capital investment, not including the cost of land and
21 building, of:

22 1. \$250,000 for restaurant facilities in the 47th alcoholic
23 beverages district of Baltimore City which consists of:

24 A. Wards 23, 24, and 25 in their entirety;

25 B. Ward 19, precincts 3, 4, and 5;

26 C. Ward 20, precincts 19 and 20;

27 D. Ward 21, precincts 2 and 3; and

28 E. Ward 21, that part of precinct 1 that lies south and west of a
29 line that runs along the center of Harbor City Boulevard from Eutaw Street to Pratt
30 Street; or

31 2. \$200,000 for restaurant facilities in the remainder of
32 Baltimore City; [and]

33 (ii) A minimum seating capacity of 75 persons; AND

4

1 (III) IN THE FOLLOWING AREAS OF THE 46TH ALCOHOLIC
2 BEVERAGES DISTRICT, AVERAGE DAILY RECEIPTS FROM THE SALE OF FOOD THAT
3 ARE AT LEAST 60% OF THE TOTAL DAILY RECEIPTS OF THE RESTAURANT:

- 4 1. WARD 1, PRECINCTS 2, 3, 4, AND 5;
- 5 2. WARD 2 IN ITS ENTIRETY;
- 6 3. WARD 3, PRECINCT 3; AND
- 7 4. WARD 26, PRECINCT 10.

8 (2) Additional Baltimore City license privileges for Class B beer, wine and
9 liquor licenses issued in the 47th alcoholic beverages district in Baltimore City are as
10 provided in § 6-201(d) of this article.

11 (e) (1) [Notwithstanding any other provision of law to the contrary,a] EXCEPT
12 AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A license for the sale of
13 alcoholic beverages may not be transferred [from any ward located within] INTO, OR
14 TRANSFERRED TO A DIFFERENT LOCATION WITHIN THE FOLLOWING AREAS OF the
15 46th legislative district [into Ward 2 (Fells Point) of the same legislative district]:

- 16 (I) WARD 1, PRECINCTS 2, 3, 4, AND 5;
- 17 (II) WARD 2 IN ITS ENTIRETY;
- 18 (III) WARD 3, PRECINCT 3; AND
- 19 (IV) WARD 26, PRECINCT 10.

20 (2) THIS SUBSECTION DOES NOT APPLY TO ~~THE TRANSFER OF A~~
21 ~~LICENSE TO A DIFFERENT LOCATION WITHIN THE AREAS DESCRIBED IN~~
22 ~~PARAGRAPH (1) OF THIS SUBSECTION IF THE LICENSE~~ AN APPLICATION FOR A NEW
23 LICENSE OR A TRANSFER FROM WITHIN THE AREAS DESCRIBED IN PARAGRAPH (1)
24 OF THIS SUBSECTION IF THE NEW LICENSE OR TRANSFER IS FOR:

25 (I) A HOTEL;

26 (II) AN ESTABLISHMENT LOCATED IN A PLANNED UNIT
27 DEVELOPMENT IF THE APPLICATION FOR THE PLANNED UNIT DEVELOPMENT WAS
28 FILED OR APPROVED BEFORE DECEMBER 31, 1995;

29 (III) AN ESTABLISHMENT LOCATED IN AN AREA GOVERNED BY THE
30 INNER HARBOR EAST URBAN RENEWAL PLAN; OR

31 ~~(IV)~~ (IV) AN ESTABLISHMENT:

32 1. THAT ~~ACCOMMODATES~~ HAS A SEATING CAPACITY OF
33 LESS THAN 150 PERSONS AT ANY ONE TIME; OR

34 2. IN WHICH THE AVERAGE DAILY RECEIPTS FROM THE
35 SALE OF FOOD IS AT LEAST ~~60%~~ 51% OF THE TOTAL DAILY RECEIPTS OF THE
36 ESTABLISHMENT.

5

1 (h) The exception for the issuance of Class B beer, wine and liquor restaurant
2 licenses provided for in subsection (c) of this section does not apply to the Pen Lucy
3 precincts as described under subsection (a) of this section.

4 10-301.

5 (j) (1) In Baltimore City, unless a licensee presents to the Board of Liquor
6 License Commissioners by June 30 of the respective year, a certificate issued by the
7 Director of Finance, showing that there are no unpaid taxes on the merchandise, fixtures
8 and stock of the applicant due to the City of Baltimore or the State of Maryland, the
9 renewal license shall be immediately suspended without a hearing but thereafter shall be
10 immediately returned without a hearing upon presentation of such a certificate.

11 (2) (i) Each year, between March 1 and March 31, both inclusive, each
12 licensee shall file an application for license renewal with the Board.

13 (ii) A license renewal application received by the Board after March
14 31 may be subject to:

15 1. Rejection; or

16 2. A late charge of \$50 for each day the application is filed late,
17 not to exceed \$1,500.

18 (3) (I) THIS PARAGRAPH APPLIES ONLY TO A LICENSE THAT IS ISSUED
19 IN, TRANSFERRED INTO, OR TRANSFERRED TO A DIFFERENT LOCATION WITHIN
20 THE FOLLOWING AREAS OF THE 46TH ALCOHOLIC BEVERAGES DISTRICT IF THE
21 APPLICATION FOR THE ISSUANCE OR TRANSFER WAS RECEIVED BY THE BOARD OF
22 LICENSE COMMISSIONERS AFTER DECEMBER 31, 1995:

23 1. WARD 1, PRECINCTS 2, 3, 4, AND 5;

24 2. WARD 2, IN ITS ENTIRETY;

25 3. WARD 3, PRECINCT 3; AND

26 4. WARD 26, PRECINCT 10.

27 (II) A LICENSEE SHALL FILE WITH EACH LICENSE RENEWAL
28 APPLICATION A COPY OF A VALID CAPACITY RATING ISSUED BY THE BALTIMORE
29 CITY FIRE DEPARTMENT FOR THE LICENSED ESTABLISHMENT.

30 (III) 1. IF THE SEATING CAPACITY RATING FOR THE LICENSED
31 ESTABLISHMENT EXCEEDS 150 PERSONS, THE BOARD OF LIQUOR LICENSE
32 COMMISSIONERS MAY REQUIRE THE LICENSEE TO OBTAIN ~~A CERTIFIED AN~~
33 ACCOUNTING, IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING
34 PRINCIPLES, OF THE GROSS SALES FOR THE LICENSE YEAR IMMEDIATELY
35 PRECEDING THE FILING OF THE LICENSE RENEWAL APPLICATION.

36 2. THE CERTIFIED ACCOUNTING DESCRIBED IN
37 SUB-SUBPARAGRAPH 1 OF THIS SUBPARAGRAPH SHALL, AT A MINIMUM, SPECIFY
38 SEPARATE FIGURES FOR EACH OF THE FOLLOWING:

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1 A. TOTAL SALES, NOT INCLUDING SALES OF NOVELTY
2 ITEMS, INCOME FROM VENDING MACHINES, OR OTHER SALES NOT DIRECTLY
3 RELATED TO FOOD OR BEVERAGES;

4 B. ALCOHOLIC BEVERAGES SALES; AND

5 C. FOOD SALES.

6 SECTION 2. AND BE IT FURTHER ENACTED, That the provisions of this Act
7 do not apply to the issuance or transfer of an alcoholic beverages license if the application
8 for the issuance or transfer is received by the Board of Liquor LicenseCommissioners on
9 or before December 31, 1995.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 1996.