

Department of Legislative Services
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FISCAL AND POLICY NOTE
Revised

House Bill 894

(Delegate Minnick)

(By Request – Baltimore County Administration)

Economic Matters

Education, Health, and Environmental Affairs

Baltimore County - Alcoholic Beverages Licenses - Transfers and Applications

This emergency bill permits the Baltimore County Board of License Commissioners to authorize the transfer of up to eight Class B and Class D beer, wine, and liquor licenses in Election District 15 into certain areas specified by the bill within certain procedural guidelines, despite license population quota limitations. Additionally, the bill authorizes the Baltimore County Board of License Commissioners to accept alcoholic beverages license applications from certain applicants under specified circumstances.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore County license fee revenues could increase by up to \$8,000 annually. Expenditures would not be affected.

Small Business Effect: Overall minimal, but potentially significant to those businesses who would be able to transfer their licenses to the areas described in the bill.

Analysis

Bill Summary: The bill provides that two licenses may be transferred to the quarry at Greenspring on or after April 1, 2005, three to the State-owned land adjacent to the Owings Mills Metro Station (Metro Center at Owings Mills) on or after October 1, 2005, and three to the Promenade at Catonsville on or after April 1, 2006. An alcoholic beverages license issued under this authority may only be used in conjunction with the operation of a restaurant in which 70% of the average daily receipts are from food, and in

which no more than 25% of the total seating capacity is in an area devoted solely to the consumption of alcohol. Alcoholic beverages may only be sold until 1:30 a.m. Additionally, the license cannot be transferred to a new location outside of the geographic area for which it was originally issued, nor may it be converted into another class of license. The ownership of the license, however, may be transferred. Additionally, the transferred licenses will be considered to be regular licenses and not exception licenses for the purpose of determining the total number of licenses available by population, and as of the date of the transfer, they may not be considered to exist in Election District 15.

The bill also authorizes the Baltimore County Board of License Commissioners to accept an application for an alcoholic beverages license from: (1) a contract purchaser of a property that becomes the owner of record of a property to be licensed before the license is actually issued; (2) an owner of a premises that is proposed to be licensed; or (3) a property developer with the consent and authority of the property owner.

If the Board of License Commissioners approves the application for the alcoholic beverages license, the applicant may apply for a transfer of the license to an operator of the type of business for which the license was approved if: (1) the license is in the location for which the license was approved; and (2) the application for the transfer occurs within three years after the original application for the site is approved or construction at the site is completed, whichever is later. Unless otherwise prohibited, the Board of License Commissioners may approve a change of location for a license issued under this authority if the license holder has actively engaged in the alcoholic beverages business under the license for at least one year before applying for the change.

Current Law: The annual license fee for any beer, wine, and liquor (on-sale) license eligible to be transferred into the areas specified in the bill is \$1,000.

In general, an application for a new alcoholic beverages license must contain specific statements regarding the identity of the applicant and the applicant's interest in the business for which he or she is applying. Among the statements that must be included are the following:

- the particular place for which a license is desired including the street address, if practicable, or by another description that definitely locates it in a particular location, as well as a description of the portion of the building in which the business will be conducted;
- that the applicant has a pecuniary interest in the business to be conducted under the license;
- that no one except the applicant is in any way pecuniarily interested in the license or in the business to be conducted under the license.

Background: Baltimore County advises that the Quarry at Greenspring, the Metro Center at Owings Mills, and the Promenade at Catonsville are all up-scale commercial developments in which restaurants will be located. The county further advises that, due to the population limitation quotas regarding the issuance of new licenses, these restaurants would not be able to otherwise obtain alcoholic beverages licenses.

Rule 19 of the rules and regulations of the Baltimore County Board of License Commissioners prohibits, with limited exceptions, the issuance of more than one on-sale alcoholic beverages license for every 2,500 people in an election district.

Local Fiscal Effect: Baltimore County advises that the new license fee for the alcoholic beverages licenses issued under this authority would be \$1,000. Since a maximum of eight licenses may be transferred as a result of this bill, Baltimore County revenues would increase by up to \$8,000, depending on the number of license holders that would choose to transfer their Class B or D alcoholic beverages license to one of the areas specified in the bill. Since these licenses would no longer be construed to exist in Election District 15, it is assumed that an equivalent number of new licenses would be issued in that district.

All other provisions of the bill are either procedural or technical in nature and would not materially impact Baltimore County finances.

Additional Information

Prior Introductions: None.

Cross File: SB 570 (Senator Stone) (By Request – Baltimore County Administration) – Education, Health, and Environmental Affairs.

Information Source(s): Baltimore County, Department of Legislative Services

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