

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 997

(Senator Klausmeier)

Education, Health, and Environmental Affairs

Economic Matters

Baltimore County - Alcoholic Beverages - Expiration of Licenses - Extension for
Casualty Loss

This emergency bill authorizes the Baltimore County Board of License Commissioners to extend an alcoholic beverages license for a licensed premises for up to two years without circuit court approval if the business is forced to close because of a casualty loss.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore County operations or finances are not materially affected.

Small Business Effect: Minimal overall, but potentially beneficial for alcoholic beverage licensees in Baltimore County that experience a casualty loss that results in cessation of business.

Analysis

Current Law: One hundred and eighty days after the holder of an alcoholic beverages license in Baltimore County closes a licensed business or ceases active alcoholic beverages business operations of the business for which the license is held the license must expire unless (1) an application to transfer the license to another location either has been approved or is pending; (2) an application for an extension due to death of the licensee has been made; or (3) a written request for a hardship extension is filed within the 180-day period.

The licensee or other interested parties may request an extension of the life of the license due to undue hardship. After a hearing conducted on the extension request, upon a finding that undue hardship exists causing the closing or cessation of business operations, the Board of License Commissioners may grant an extension of the life of the license for up to 360 days after the date of closing of the business or cessation of alcoholic beverages business operations of the business for which the license is held. If there is no undue hardship extension granted, the license expires after 180 days of the close of the business or cessation of alcoholic beverages business operations.

Background: Subject to certain exceptions, the maximum number of alcoholic beverages licenses that can be issued in each of the election districts in Baltimore County are limited to one on-sale license (excluding club licenses) for each 2,500 of actual population of each election district and one off-sale license for each 4,000 of actual population of each election district. If an alcoholic beverage licensee closes a business or ceases to operate alcoholic beverages operations without transferring its alcoholic beverages license, the number of active licensees in the county decreases below the number of allowed licenses in that election district.

According to the Internal Revenue Service, a casualty loss can result from the damage, destruction or loss of property from any sudden, unexpected, or unusual event such as a flood, hurricane, tornado, fire, earthquake or even volcanic eruption. A casualty does not include normal wear and tear or progressive deterioration.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Department of Legislative Services

Fiscal Note History: First Reader - April 1, 2011
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