

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 237
Economic Matters

(Delegate Oaks, *et al.*)

Baltimore City - Alcoholic Beverages - License Renewal

This bill requires the Baltimore City Board of Liquor License Commissioners to consider specified factors in determining whether to grant an application for a license renewal when a protest against the renewal is filed. The bill also specifies the circumstances whereby the board must deny an application for renewal. The board is required to make all such findings in writing and available to the public.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City expenditures increase by approximately \$500 annually. Potential additional costs may result if additional license renewal hearings are necessary.

Small Business Effect: Potential meaningful. However, it is unclear whether the bill will eventually result in a greater number or fewer license renewals.

Analysis

Bill Summary: In determining whether to grant a license renewal when a protest against the renewal has been filed, the board must consider:

- the public need and desire for the renewal;
- the number and location of existing licensees and the effect on existing licensees of the renewal;

- the commonality or uniqueness of the services and products offered by the applicant;
- the impact of the renewal on the general health, safety, and welfare of the community, including issues relating to crime, traffic conditions, parking, and convenience to the community; and
- any other factor that the board considers relevant.

The board must deny an application for renewal if it finds that:

- the renewal is not necessary to accommodate the public;
- the applicant is not a fit person to be granted the renewal;
- the applicant has made a materially false statement in the application;
- the applicant has practiced fraud in connection with the application;
- the operation of the licensed premises will unduly disturb the peace of the residents of the surrounding neighborhood; or
- there are other reasons to deny the application.

Current Law: Except in Prince George's County, the holder of any expiring license, other than special licenses, must, not less than 30 nor more than 60 days before the first day of May of each and every year, file a written application, duly verified by oath, for the renewal of the license with the official authorized to approve the same.

The renewal application must state that the facts in the original application are unchanged. It must be accompanied by a statement signed by the owner of the premises consenting to renewal of the license and to search and seizure as in the case of original applications.

In the case of retail dealers applying for renewal, the statement of consent by the owner of the premises may not be required if the owner has previously signed such a statement in connection with an original application or previous renewal application giving consent for the term of the owner's lease with the applicant if the lease or renewal does not expire during the term of the renewal license.

On the filing of the renewal application and payment of the annual fee, the holder of the expiring license is entitled to a new license for another year without the filing of further statements or the furnishing of any further information unless specifically requested by the official authorized to approve the license.

A protest to the renewal of a license must be:

- signed by at least 10 residents, commercial tenants who are not holders of or applicants for any issued license, or real estate owners in the immediate vicinity in which the licensed place of business is located; or
- instituted by the board on its own initiative.

If the protest has been filed it is required to be heard and determined as in the case of original applications, except in Baltimore City, it must be heard and determined not as in the case of original application in regard to zoning but only on a specific complaint as to the operation of the licensee's establishments.

A renewal license may not be approved without a hearing before such official if a protest has been filed against the granting of the new license at least 30 days before the expiration of the license for which renewal is sought.

Background: The bill requires the board to apply the same standards and criteria for license renewals as are now required for approving a new license or a license transfer. Currently, protests of renewal must be based on specific complaints as to the manner the business is operated.

Local Fiscal Effect: The board expects that, under the bill, a significant increase in protests of license renewal will occur. Whether this will result in fewer or a greater number of license renewals cannot be readily predicted. By law, protests of renewal hearings are held in April.

The board reports that the bill will require about \$500 in new mailing costs to notify licensees of the bill's provisions. Any additional hearings resulting from the bill will be handled with the existing budgeted resources of the board. Any additional hearing will also require covering the costs of transcription.

Additional Information

Prior Introductions: None.

Cross File: SB 331 (Senator Gladden) - Education, Health, and Environmental Affairs.

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

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