

**Department of Legislative Services**  
Maryland General Assembly  
2013 Session

**FISCAL AND POLICY NOTE**

Senate Bill 1028 (Senator Klausmeier)

Education, Health, and Environmental Affairs

Economic Matters

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**Baltimore County - Alcoholic Beverages - License Transfers**

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This bill allows the transfer of Class B or D alcoholic beverages licenses in Baltimore County from election district 15 to the Towson Commercial Revitalization District, the Quarry at Greenspring, the Metro Center at Owings Mills, and the Promenade at Catonsville to be included in the total number of transferred licenses required by Chapter 558 of 2012. Pursuant to Chapter 558, the Baltimore County Board of Liquor License Commissioners must transfer a certain number of Class B or D alcoholic beverages licenses from election district 15 to other districts by April 30, 2017.

The bill takes effect June 1, 2013.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Altering the transfer license requirements established by Chapter 558 does not materially affect Baltimore County revenues. Baltimore County license fees could decrease by \$5,000 for each Class B service bar (SB) license that is no longer required to be issued. Enforcement activities can be handled with existing resources.

**Small Business Effect:** Overall minimal, but potentially meaningful to those small businesses who are impacted by transfers of Class B or Class D licenses from election district 15.

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## Analysis

### Current Law:

#### *Limits on Licenses by Election District Population*

Subject to exceptions, the maximum number of allowable alcoholic beverages licenses in a single election district in Baltimore County, pursuant to Rule 19 of the Baltimore County Board of Liquor License Commissioners' Rules and Regulations, is limited to one on-sale license, excluding club licenses, for every 2,500 people and one off-sale license for every 4,000 people. No license can be transferable from the election district in which it was originally located.

#### *Chapter 558 of 2012*

Chapter 558 of 2012 (SB 654) allows the Baltimore County Board of Liquor License Commissioners, from May 1, 2012, to April 30, 2017, to approve the transfer of no more than 25 Class B or Class D alcoholic beverages licenses in existence in election district 15 on May 1, 2012, from the district to other election districts within the county. The number of licenses in existence on the date of approval of the transfer must not be greater than 25% more than the number of licenses that would otherwise exist in that election district based on Rule 19. No more than two licenses can be transferred into any single election district each year.

If, during the period from May 1, 2012, through April 30, 2017, fewer than five Class B or Class D licenses transfer from election district 15 to other election districts within any one year from May 1 to April 30, both inclusive, the board must create and issue a new Class B (SB) beer and wine license to achieve a requirement of not fewer than five new licenses each year as follows:

- by April 30, 2013, 5 licenses must have been transferred or created;
- by April 30, 2014, 10 licenses must have been transferred or created;
- by April 30, 2015, 15 licenses must have been transferred or created;
- by April 30, 2016, 20 licenses must have been transferred or created; and
- by April 30, 2017, 25 licenses must have been transferred or created.

In any year, if the board approves the transfer of more Class B or Class D licenses than are needed to meet the minimum total required for that year, the excess will be counted against the minimum total required for the following year. The date a license is transferred is the date of final, nonappealable approval of the application for a new license or for license transfer by the board.

Additionally, when a license is transferred from election district 15 to another election district, the license may not be construed to exist in election district 15. A license transferred under this section must be considered by the board as a regular license and not an exception license for determining the total number of licenses available in any election district based on Rule 19, and allows a transfer of no more than 25% of licenses that would otherwise exist in that election district on the date of approval of the transfer.

The board may issue a Class B (SB) beer and wine license, with an annual license fee of \$5,000, to restaurants who meet specified qualifications, requirements, and conditions.

#### *Towson Commercial Revitalization District (TCRD)*

The Baltimore County Board of Liquor License Commissioners may approve the transfer of no more than 10 Class B or Class D beer, wine, and liquor (on-sale) licenses in existence in election district 15 on June 1, 2009, and that were issued on or before December 31, 2008, from the election district to the Towson Commercial Revitalization District. On the date of the transfer, the license must be converted into a Class B (B, W, L) (TCRD) license, and the license may not be construed to exist in election district 15. A license transferred under this section must be considered by the board as a regular license and not an exception license for determining the total number of licenses available in any election district based on Rule 19. The license issuance requirements, license fee, minimum square foot area requirement for food and beverage preparation and consumption, and days and hours of sale for a Class B (B, W, L) (TCRD) license are the same as those for a Class B beer, wine, and liquor (on-sale) hotel and restaurant license. A Class B (B, W, L) (TCRD) license must meet specified qualifications, requirements, and conditions.

#### *Transfer of Certain Class B and Class D Beer, Wine, and Liquor (on-sale) Licenses*

The Baltimore County Board of Liquor License Commissioners may approve the transfer of two licenses to the Quarry at Greenspring (QG) on or after April 1, 2005, three to the State-owned land adjacent to the Owings Mills Metro Station (Metro Center at Owings Mills) (MCOM) on or after October 1, 2005, and three to the Promenade at Catonsville (PC) on or after April 1, 2006. On the date of the transfer, the license must be converted into a Class B (QG), (MCOM), or (PC) license, and the license may not be construed to exist in election district 15. A license transferred under this section must be considered by the board as a regular license and not an exception license for determining the total number of licenses available in any election district based on Rule 19. A Class B (QG), (MCOM), or (PC) license must meet specified qualifications, requirements, and conditions.

**Background:** Election district 15, which is located in Dundalk, has a population of 110,634 residents, so the district is limited to 44.24 on-sale licenses; however, there are currently 122 on-sale licenses in election district 15, of which only 2 are exempt from the Rule 19 population restriction. As of July 2012, there are four Class B (SB) licenses, five Class B (TCRD) licenses, two Class B (QG) licenses, one Class B (PC) license, and three Class B (MCOM) licenses.

Under the bill, five Class B (TCRD) licenses, two Class B (QG) licenses, one Class B (PC) license, and three Class B (MCOM) licenses would count toward the transfer requirement specified in Chapter 558. The Baltimore County Board of Liquor License Commissioners may approve an additional 5 Class B (TCRD) licenses and 2 Class B (PC) licenses, so a total of 11 transfers currently and an additional 7 transfers in the future would count toward the Chapter 558 requirement of at least 25 transfers of Class B or Class D licenses transfer out of election district 15.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 20, 2013  
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