

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 1035 (Senator Ferguson)
Education, Health, and Environmental Affairs

Baltimore City - 46th District Alcoholic Beverages Act of 2017

This bill authorizes the Baltimore City Board of License Commissioners to issue a Class B beer, wine, and liquor license for a restaurant in the Port Covington Area that is bounded (1) on the north by Interstate 95; (2) on the east by the South Locust Point Terminal; and (3) on the south and west by the Patapsco River. The restaurant must have seating for more than 150 individuals, a minimum capital investment of \$700,000, and daily receipts from food sales of at least 60%. The bill also authorizes the Baltimore City Board of License Commissioners to issue up to five Class B beer, wine, and liquor licenses for use by establishments in the Locust Point area on the north side of the 900 block of East Fort Avenue and on the west side of the 1400 block of Lawrence Street. The licenses issued in these areas are nontransferable.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City licensing revenues may increase beginning in FY 2018 to the extent additional Class B beer, wine, and liquor licenses are issued in Port Covington and Locust Point. The amount of the increase depends on the number of licenses issued.

Small Business Effect: Potential meaningful. To the extent small businesses are able to obtain Class B beer, wine, and liquor licenses in the specified areas, additional sales and profits may be realized.

Analysis

Current Law: Licensees are required to file a statement of average daily receipts and an affidavit from a licensed certified public accountant that verify the licensee has met the average daily receipts requirement for the sale of food.

General Restrictions on New Licenses

In Baltimore City, new licenses for the sale of alcoholic beverages may not be issued in the 40th, 41st, 43rd, 44th, 45th, or 46th alcoholic beverages districts. In the 46th district, the Baltimore City Board of License Commissioners may issue:

- special one-day licenses;
- Class B beer, wine, and liquor licenses to specified restaurants with average daily receipts from the sale of food of at least 51% of the total daily receipts of the restaurant;
- a Class B beer, wine, and liquor license for a restaurant in ward 26, precinct 8; ward 4, precinct 1; or ward 3, precinct 3 that has (1) seating for more than 150 individuals; (2) a minimum capital investment of \$700,000; and (3) average daily receipts from food sales that are at least 65% of the total daily receipts of the restaurant;
- a Class B beer, wine, and liquor license for a restaurant in ward 4, precinct 1, or ward 22, precinct 1, if the restaurant has (1) seating for more than 75 individuals; (2) a minimum capital investment of \$700,000; (3) average daily receipts from food sales that are at least 65% of the total daily receipts of the restaurant; and (4) no sales for off-premises consumption unless an off-sale privilege for refillable containers has been issued;
- for up to three restaurants in a residential planned unit development for Silo Point if each restaurant has (1) a minimum capital investment of \$700,000; (2) seating for more than 75 individuals; (3) average daily receipts from food sales that are at least 65% of the total daily receipts of the restaurant; and (4) no sales for off-premises consumption unless an off-sale privilege for refillable containers has been issued; and
- for up to three restaurants in a business planned unit development in ward 24, precinct 5, if each restaurant has (1) a minimum capital investment of \$700,000; (2) seating for more than 75 individuals, but not more than 150 individuals;

(3) average daily receipts from food sales that are at least 51% of the total daily receipts of the restaurant; and (4) no sales for off-premises consumption unless an off-sale privilege for refillable containers has been issued.

The Baltimore City Board of License Commissioners may not issue a license in the Locust Point area in (1) ward 1, precincts 4 and 5; (2) ward 23, precinct 1; or (3) ward 24, precinct 5, except for up to two specified Class B beer, wine, and liquor licenses that may be issued in the area of 829 through 919 East Fort Avenue provided the Baltimore City Board of License Commissioners has executed a memorandum of understanding between the community associations in Riverside and Locust Point regarding the nature of the establishment, and the Baltimore City Board of License Commissioners enforces the memorandum of understanding against any license holder that obtains a license or seeks to renew or transfer the license.

Class B Beer, Wine, and Liquor License

The annual license fee for a Class B beer, wine, and liquor license in Baltimore City is (1) \$1,320 for a licensed premises with a seating capacity of not more than 200 individuals and (2) \$1,800 for a licensed premises with a seating capacity of more than 200 individuals. In addition, the license holder must pay an annual \$500 fee if the license holder provides live entertainment and \$200 if the license holder provides outdoor table service.

Local Revenues: The bill authorizes the Baltimore City Board of License Commissioners to issue up to five Class B beer, wine, and liquor licenses in the Locust Point area and one Class B beer, wine, and liquor license for a restaurant in the Port Covington area. Baltimore City cannot reliably estimate how many establishments will apply for the licenses. License and application fee revenues increase beginning in fiscal 2018 to the extent that eligible establishments file applications to obtain licenses. The annual license fee is \$1,320 for establishments with a seating capacity of up to 200 individuals and \$1,800 for establishments with a seating capacity over 200 individuals. The application fee is \$600, and the annual renewal fee is \$50.

Additional Information

Prior Introductions: None.

Cross File: HB 1348 (Delegate Clippinger, *et al.*) - Economic Matters.

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

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