

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 289

(Delegate Hayes, *et al.*)

Economic Matters

Education, Health, and Environmental Affairs

Baltimore City - Alcoholic Beverages - Marketplace License

This bill establishes a marketplace license in the fortieth alcoholic beverages district of Baltimore City. The Baltimore City Board of License Commissioners may issue the license only to a person, firm, or corporation that owns or leases the marketplace. The marketplace premises must accommodate the public and be equipped with five or more food service outlets that provide specified seating areas to patrons. The license authorizes a holder to sell beer, wine, and liquor from one or more outlets within the marketplace by the drink or by the bottle, for on-premises consumption. A license holder may also obtain a refillable container permit to sell draft beer for off-premises consumption. The licensee must meet specified facility and capital investment requirements. The annual license fee is \$6,000. A licensee that provides live entertainment on the premises must pay an additional annual fee of \$500 and an additional \$200 if the licensee provides outdoor table service.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City revenues increase by \$13,200 beginning in FY 2018 and by \$12,000 annually thereafter. Baltimore City can handle any enforcement activity with existing resources.

Small Business Effect: Minimal.

Analysis

Bill Summary: The license authorizes the sale and consumption of alcoholic beverages from 6 a.m. to 2 a.m. the following day.

The marketplace must have (1) a minimum capital investment, excluding the cost of land and buildings, of \$1 million for marketplace facilities; (2) a minimum seating capacity of 75 individuals; (3) average daily receipts from the sale of food of at least 51% of the total daily receipts of the marketplace; and (4) a minimum total capacity of 200 individuals and a maximum capacity of 500 individuals, as determined by the Baltimore City Fire Department.

A license holder of a Class B beer, wine, and liquor license on or after July 1, 2016, who meets the facility and capital investment requirements specified, may surrender the Class B beer, wine, and liquor license to the Baltimore City Board of License Commissioners in exchange for a marketplace license without additional payment or penalty.

Current Law: Local boards of license commissioners are authorized to issue special alcoholic beverages licenses for specific types of venues. The Comptroller is authorized to issue statewide licenses. The Baltimore City Board of License Commissioners may issue licenses for arenas, municipal golf courses, video lottery facilities, racetracks, and a zoo.

The Class B beer, wine, and liquor license authorizes the license holder to sell beer, wine, and liquor at a hotel or restaurant, for on- or off-premises consumption. The license authorizes the sale and consumption of alcoholic beverages from 9 a.m. to 2 a.m. the following day in the Park Heights Redevelopment Area and from 6 a.m. to 2 a.m. the following day in all other locations in Baltimore City. The annual license fees are:

- \$1,320 for a licensed premises with a seating capacity of not more than 200 individuals; and
- \$1,800 for a licensed premises with a seating capacity of more than 200 individuals.

Refillable Container Permit – Draft Beer

The board may issue a refillable container permit for draft beer to a holder of any class of alcoholic beverages license except a Class C license or a Class M-G (municipal golf course) license. The hours of sale for the permit begin at the same time as for the underlying license and end at midnight. Receipts collected under the permit are to be included in the calculation of average daily receipts for purposes of qualifying as a

restaurant. The annual permit fees are (1) \$50 for an applicant whose license has an off-sale privilege and (2) \$500 for an applicant whose license does not have an off-sale privilege.

Local Fiscal Effect: Baltimore City advises that currently only two premises meet the facility and capital investment requirements of the bill. Both facilities are expected to hold between 10 and 20 vendors. Given the \$6,000 annual license fee for a marketplace license and a one-time application fee of \$600 for each license, license revenues may increase \$13,200 beginning in fiscal 2018 and \$12,000 annually thereafter. Revenue could increase further to the extent that license holders pay additional annual fees to provide live entertainment and/or outdoor table service.

Additional Information

Prior Introductions: None.

Cross File: SB 479 (Senator Robinson) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 16, 2017
fn/tso Third Reader - March 23, 2017
Revised - Amendment(s) - March 23, 2017

Analysis by: Michelle Davis

Direct Inquiries to:
(410) 946-5510
(301) 970-5510