

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 924

(Delegate Clippinger, *et al.*)

Economic Matters

Education, Health, and Environmental Affairs

Baltimore City – Alcoholic Beverages – Distance Restrictions, Extension Fee, and Class D License

This bill prohibits the Baltimore City Board of License Commissioners from charging a fee for a temporary license permit extension if (1) the applicant is a nonprofit 501(c)(3) organization that is an officially recognized and active main street organization established by the city and (2) the event is a single event where attendance is limited to no more than 750 individuals. In addition, the bill (1) authorizes the board to waive distance restrictions for license transfer applicants under specified circumstances in the area bounded by Fagley Street, Gough Street, Grundy Street, and Chestle Place and (2) alters the geographic area within which the board may issue a Class B-D-7 license in the Old Goucher Revitalization District. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City revenues decrease beginning in FY 2021 due to a reduction in temporary license permit extension fees collected, as discussed below. Expenditures are not materially affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: The board may waive specified distance restrictions for an application to transfer a license into the area bounded by Fagley Street, Gough Street, Grundy Street, and Chestle Place if (1) the application is approved by each community association

representing the area, each business association in the area, and the ordained leader and the board or council for each place of worship within 300 feet of the proposed establishment and (2) a memorandum of understanding is executed by the applicant and each community association in the area.

The board may not issue a license in or approve the transfer of a license into the geographic area described above if (1) the proposed location of the establishment is in an area zoned “residential” or (2) the license to be issued or transferred is a Class A license.

The bill alters the boundaries within which the board may issue a Class B-D-7 license in the Old Goucher Revitalization District. Accordingly, the board may issue a Class B-D-7 license for use in a property that is surrounded by Morton Street on the west, 23rd Street on the north, Lovegrove Street on the east (under current law, Charles Street), and 22nd Street on the south. In addition, the board may issue a Class B-D-7 license for use in a property that is surrounded by Morton Street on the west, Ware Street on the north, Charles Street on the east (under current law, Lovegrove Street), and 24th Street on the south.

Current Law: The board generally may not issue a new license or approve the transfer of an existing license to a building within 300 feet of the nearest place of worship or school, as specified. The board may waive distance restrictions for an application to transfer a license into specified areas if (1) the application is approved by each community association representing the area, each business association in the area, and the ordained leader and the board or council for each place of worship within 300 feet of the proposed establishment and (2) a memorandum of understanding is executed by the applicant and each community association in the area.

In addition, the board generally may not issue a new license in the 40th, 21st, 43rd, 44th, or 45th alcoholic beverages district. However, the board may issue a Class B-D-7 license for use in specified properties within the Old Goucher Revitalization if the establishment has a minimum capital investment, excluding land and acquisition costs, of \$50,000. Specifically, the board may issue a Class B-D-7 license for use in:

- a property that is surrounded by Maryland Avenue on the west, 24th Street on the north, Morton Street on the east, and 22nd Street on the south;
- a property that is surrounded by Morton Street on the west, 23rd Street on the north, Charles Street on the east, and 22nd Street on the south;
- a property that is surrounded by Morton Street on the west, Ware Street on the north, Lovegrove Street on the east, and 24th Street on the south; and
- a property that is surrounded by Maryland Avenue on the west, 24th Street on the north, Morton Street on the east, and 23rd Street on the south.

The board is generally authorized to issue temporary alcoholic beverages licenses for use at events, as provided under State law.

Background: According to the Comptroller's Office, in fiscal 2019, there were 1,208 alcoholic beverages licenses issued in Baltimore City.

Baltimore City advises that in fiscal 2019, board revenues totaled approximately \$2.4 million, and budgeted expenditures totaled approximately \$2.1 million.

Local Revenues: The bill prohibits the board from charging a fee for a temporary license permit extension if the applicant is a nonprofit 501(c)(3) organization that is an officially recognized and active main street organization established by the city and (2) the event is a single event where attendance is limited to no more than 750 individuals. Accordingly, fee revenues decrease beginning in fiscal 2021. The extent of the decrease cannot be reliably estimated at this time, as the number of applicants who would qualify for the fee waiver under the bill is not readily known. The board advises that in fiscal 2019, it collected \$84,700 in temporary license extension fees citywide. To the extent that the bill results in significant revenue decreases, monitoring and enforcement activity may be affected.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 13, 2020
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