

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 954

(Delegate Smith, *et al.*)

Economic Matters

Education, Health, and Environmental Affairs

**Baltimore City – Alcoholic Beverages – Class B and Class C Beer, Wine, and
Liquor Licenses**

This bill (1) authorizes, in Baltimore City, the exchange of a Class B beer, wine, and liquor (BWL) license for a Class B-D-7 license in a specified geographical area if the applicant executes a memorandum of understanding (MOU) with the Mount Vernon-Belvedere Improvement Association, as specified; (2) alters the hours of sale for a Class B-D-7 license holder in a specified geographical area; and (3) authorizes the Baltimore City Board of License Commissioners to issue a Class C BWL license in a specified geographical area if the applicant executes an MOU with the Charles North Community Association. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City revenues increase by \$1,150 in FY 2021 and \$600 annually thereafter, as discussed below. Baltimore City can handle any enforcement activity with existing resources.

Small Business Effect: Minimal.

Analysis

Bill Summary: A Class B BWL license may be exchanged for a Class B-D-7 license if (1) the licensed premises is in an area bounded by the unit block of West Preston Street, the 1200 block of North Charles Street, the 1200 block of Morton Street, and the unit block of West Biddle Street and (2) the applicant executes an MOU with the Mount Vernon-Belvedere

Improvement Association. The holder of an exchanged license may provide outdoor table service. In addition, the board may condition the issuance or renewal of the license on the substantial compliance of the applicant with the MOU.

For a Class B-D-7 license holder in an area bounded by North Avenue on the north, Central Avenue and Harford Avenue on the west, Monument Street and McElderry Street on the south, and Luzerne Avenue and Rose Street on the north, as further specified in the bill, the hours of sale are from 9 a.m. to 10 p.m.

The board may issue a Class C BWL license to a club in the area bounded by North Charles Street on the west, East Lafayette Avenue on the north, North Lovegrove Street on the east, and East Lanvale Street on the south (in the 45th alcoholic beverages district) if the applicant executes an MOU with the Charles North Community Association.

Current Law:

Class B BWL License

A Class B BWL license authorizes the holder to sell beer, wine, and liquor at a hotel or restaurant for on- or off-premises consumption. Annual license fees are \$1,320 for a licensed premises with a seating capacity of up to 200 and \$1,800 for a licensed premises with a seating capacity of more than 200. A license holder must annually pay an additional \$500 fee to provide live entertainment and/or a \$200 fee to provide outdoor table service.

Class B-D-7 License

The board may issue a Class B-D-7 license if it determines, upon consideration of the number of beer, wine, and liquor outlets in the affected area and the outlets' days of sale, that the license is reasonably necessary for public convenience. A Class B-D-7 license authorizes the licensee to sell beer, wine, and liquor for on- and off-premises consumption. The annual license fee is \$1,320.

With specified exceptions, a Class B-D-7 licensee may sell beer, wine, and liquor from 6 a.m. to 2 a.m. the following day. For a Class B-D-7 licensee located in the area bounded by Liberty Heights Avenue, Northern Parkway, Druid Park Drive, and Wabash Avenue, the hours of sale are from 9 a.m. to 9 p.m. For a Class B-D-7 licensee located in the area specified in the Park Heights Master Plan adopted by the city in 2006, the hours are from 9 a.m. to 10 p.m.

Class C BWL License

In Baltimore City, Class C licenses generally authorize clubs and other organizations to sell alcoholic beverages for on-premises consumption. A Class C BWL license authorizes the license holder to sell beer, wine, and liquor at a club at the place described in the license for on-premises consumption. The annual license fee is \$550.

Conditions of License Issuance or Renewal

If a community association and an applicant for the issuance or renewal of a Class B or D alcoholic beverages license have entered into an MOU that expressly acknowledges the authority of the board, the board may condition the issuance or renewal of the license on the substantial compliance of the applicant with the MOU.

General Prohibition against Issuance of New Licenses in Specified Districts

The board generally may not issue a new alcoholic beverages license in the 40th, 41st, 43rd, 44th, or 45th alcoholic beverages districts. However, the law specifies several exceptions.

Background: According to the Comptroller's Office, in fiscal 2019, there were 1,208 alcoholic beverages licenses issued in Baltimore City, including 368 Class B BWL licenses and 52 Class C BWL licenses. Baltimore City advises that, as of December 2019, there were 398 active Class B-D-7 licenses in the city.

The board expects that one establishment will seek to transfer a Class B BWL license for a Class B-D-7 license under the bill.

Local Revenues: The bill authorizes the board to issue a Class C BWL license in a specified geographical area within the 45th alcoholic beverages district. The board anticipates issuing one additional Class C BWL license as a result of the bill. Assuming that the license is issued in fiscal 2021, Baltimore City revenues increase by \$1,150 in fiscal 2021 and \$600 annually thereafter. This estimate accounts for a \$550 annual license fee, \$600 application fee, and \$50 renewal fee.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 328 (Senator McCray) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 12, 2020
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