

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 426

(Senator Ferguson)

Education, Health, and Environmental Affairs

Economic Matters

Baltimore City - 46th District - Alcoholic Beverages Licenses

This bill authorizes a holder of a Class 9 limited distillery license who also holds a Class D (6-day) beer, wine, and liquor (BWL) license and is located on the 4200 block of East Pratt Street to apply to the Baltimore City Board of License Commissioners to convert the existing Class D (6-day) BWL license into a Class D (7-day) BWL license. The bill also authorizes the board to issue (1) a Class D beer and light wine license for an establishment in ward 26, precinct 8 on the west side of the 1200 block of South Haven Street that has executed a memorandum of understanding (MOU) with Brewer's Hill Neighbors, Inc., and (2) a Class B BWL license for a restaurant in Unit G of 3700 Toone Street in ward 26, precinct 8, as specified. The bill makes permanent provisions established by Chapters 676 and 677 of 2019 pertaining to interactions between a specified Class 1 distillery and retail dealer in Port Covington. In addition, the bill repeals specified authorizations to issue or transfer a license within 300 feet of a place of worship or school in the area bounded by Fagley Street, Gough Street, Grundy Street, and Chestle Place and makes conforming changes. **The bill takes effect July 1, 2021.**

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City revenues increase from the issuance of an additional Class D beer and light wine license and an additional Class B BWL license specified in the bill, as well as from application fees. Baltimore City expenditures are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary:

Class B BWL License

The board is authorized to issue a Class B BWL license for a restaurant in Unit G of 3700 Toone Street in ward 26, precinct 8, if the restaurant has (1) seating for at least 75 individuals; (2) a minimum capital investment of \$700,000; (3) average daily receipts for the sale of food that are at least 65% of the total daily receipts of the restaurant; and (4) executed an MOU with Brewer's Hill Neighbors, Inc.

Current Law:

Class B BWL Licenses

In Baltimore City, a holder of a Class B BWL license may generally sell alcoholic beverages from 6 a.m. to 2 a.m. the following day, seven days a week. The annual license fee for a Class B BWL license is \$1,320 for a premises with a seating capacity of not more than 200 individuals, and \$1,800 for a premises with a seating capacity of more than 200 individuals. There is an additional annual fee of \$500 if the license holder provides live entertainment, and an annual fee of \$200 if the license holder provides outdoor table service.

Class D BWL Licenses

In Baltimore City a holder of a Class D BWL license may generally sell alcoholic beverages on Monday through Saturday from 6 a.m. to 1 a.m. the following day, but may not exercise the privileges of the license (without an amusement permit) from 1 a.m. on Sunday to 6 a.m. the following day. In the 46th alcoholic beverages district, the board may issue a Class D BWL license to an applicant who holds or has applied for a Class 9 limited distillery license. The annual license fee for a Class D BWL license is \$825.

Class D Beer and Light Wine Licenses

In Baltimore City, a Class D beer and light wine license authorizes the holder to sell beer and light wine, at retail, at the place described in the license, for on- and off-premises consumption. The license may not be issued for use by a drugstore. The annual license fee is \$165.

Interactions between a Class 1 Distillery and a Retail Dealer in the Port Covington Area

Interactions between a Class 1 distillery and a retail dealer located on contiguous premises in the area commonly known as Port Covington are restricted in a manner that differs from established statewide restrictions. Specifically, in the Port Covington area, a Class 1 distillery may lend a thing of value, make a gift, or offer a gratuity to a retail dealer but may not lend money to the retail dealer. A retail dealer may not become indebted to a Class 1 distillery except for the purchase of alcoholic beverages and allied products purchased for resale. Additionally, specified provisions of the Alcoholic Beverages Article pertaining to wine and liquor advertisements do not apply to a Class 1 distillery and licensed retailer in the Port Covington area.

Distance Restrictions from a Place of Worship or School

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. The board may waive the 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) an MOU is executed by the applicant and each community association in the area. However, 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.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 572 (Delegate Clippinger) - Economic Matters.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2021
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