

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 642

(Senator Ferguson)

Finance

Government, Labor, and Elections

Baltimore City - Alcoholic Beverages - 46th Alcoholic Beverages District

This bill authorizes the Baltimore City Board of License Commissioners to approve the transfer of a Class B-D-7 license from the 700 block of Washington Boulevard in the 40th alcoholic beverages district to the 200 block of South High Street in the 46th alcoholic beverages district and issue a Class 7 micro-brewery license to the holder of a Class B-D-7 license in the 46th alcoholic beverages district, as specified. The bill authorizes a licensed establishment on the south side of West Pratt Street to keep and allow individuals to consume, on the licensed premises, alcoholic beverages donated by a manufacturer or wholesaler, as specified. The bill specifies that a Class B-D-7 beer, wine, and liquor license issued for a premises in the 1600 block of Eastern Avenue must be considered unexpired until July 1, 2027, for the purpose of being renewed to the current license year and transferred to another owner at a premises in the 700 block of Aliceanna Street. The bill also authorizes that a Class D beer and wine license issued for a premises in the 800 block of St. Paul Street be considered unexpired until July 1, 2027, for the purpose of completing a transfer of ownership at the same location and that a Class B beer, wine, and liquor license issued for a premises in the 6500 block of Eastern Avenue be considered unexpired until July 1, 2027, in order to be renewed to the current license year by the licensee. **The bill takes effect June 1, 2026, and provisions related to the licensed premises on West Pratt Street terminate May 31, 2028.**

Fiscal Summary

State Effect: None.

Local Effect: The bill is not expected to materially affect Baltimore City finances or operations.

Small Business Effect: Minimal.

Analysis

Bill Summary: By January 1, 2027, the board must establish a standard template for memoranda of understanding between applicants for alcoholic beverage licenses and local neighborhood associations. Individual neighborhood associations may include additional information on the standard template. If an applicant for the issuance of a new, transferred, or expanded alcoholic beverages license is required to submit a memorandum of understanding, the board may not consider the application to be complete unless a completed memorandum of understanding is included with the application.

Class 7 Micro-brewery License

The bill authorizes the board to issue a Class 7 micro-brewery license to the holder of a Class B-D-7 alcoholic beverages license that is issued for use on the premises of the existing Class B-D-7 license located in the 46th alcoholic beverages district. The board may issue the Class 7 micro-brewery license if the holder of the Class B-D-7 license receives a letter of support from the Ridgley's Delight Association.

West Pratt Street

A licensed establishment on the south side of the unit block of West Pratt Street may keep and allow individuals to consume on the licensed premises alcoholic beverages donated by a manufacturer or wholesaler if: (1) the alcoholic beverages are donated and served at an event for which a nonprofit entity has rented the licensed premises; (2) the licensee has provided to the board evidence of the nonprofit status of the entity renting the licensed premises; (3) the licensee serves the alcohol donated for the event; (4) any related taxes have been remitted; and (5) the licensee only keeps and serves alcoholic beverages in conjunction with a single rental contract.

Class D License in the 46th Alcoholic Beverages District

The bill authorizes the holder of a Class D license in the 46th alcoholic beverages district to apply to the board to sell alcoholic beverages Monday through Sunday if the license holder:

- maintains average daily receipts from the sale of food that are at least 51% of the total daily receipts from the establishment;

- executes a memorandum of understanding with the relevant local neighborhood association as determined by the board;
- operates an establishment with up to 100 seats; and
- pays a one-time fee of \$15,000 in addition to annual renewal fees associated with the Class D license.

A Class D license that is granted a seven-day privilege may not be transferred to a new location. A new Class D license holder that is granted such a privilege must comply with the Class D requirements stated in the bill.

The board must use the one-time \$15,000 fee for enforcement of the required memorandum of understanding. The board must also adopt regulations that establish tiered penalties for violations, including the revocation of a seven-day sales privilege, if the licensee violates the provisions of the required memorandum of understanding three or more times within a two-year period.

Current Law: In Baltimore City, a transfer of an alcoholic beverages license must be completed on or before 180 days after the board approves the transfer unless the board grants a hardship extension. A written request to extend the time authorized to complete the transfer due to hardship must be made in writing by a license holder or another appropriate interested party within 180 days after the board approves the transfer of a license. The board may grant the extension if it finds after a hearing that an existing hardship caused the delay in transferring the license. However, an extension may not prolong the period authorized to complete the transfer beyond 270 days after the board approves the transfer.

Generally, 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 at retail at the place described in the license, for on- and off-premises consumption. The annual license fee is \$2,336.

Generally, a Class 7 micro-brewery license in Baltimore City may only be issued to the holder of a Class B beer, wine, and liquor (on-sale) license that is issued for use on the premises of a restaurant located in the city or a Class D alcoholic beverages license that is issued for use on the premises of the existing Class D license located in the 40th alcoholic beverages district of Baltimore City.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 998 (Delegate Clippinger) - Government, Labor, and Elections.

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

Fiscal Note History: First Reader - February 17, 2026
caw/tso Third Reader - March 6, 2026
Enrolled - May 5, 2026
Revised - Amendment(s) - May 5, 2026

Analysis by: Beatrice F. Amoateng

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