

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 1100
Finance

(Senator Ferguson)

Economic Matters

**Baltimore City - Alcoholic Beverages - 46th Alcoholic Beverages District -
Revisions**

This bill authorizes the Baltimore City Board of License Commissioners to (1) issue up to a total of 10 new Class B-D-7 licenses and a total of up to 2 new Class A-7 licenses in a specific geographic area in the 46th alcoholic beverages district in Baltimore City, subject to a transfer restriction, as specified and (2) waive the requirement that a Class D beer, wine, and liquor (BWL) license holder operating a restaurant not have a dining room adjacent to a bar in order to remain open after the closing hour for that class of license. The bill adds two exceptions to the general prohibition against the transfer or issuance of a license within 300 feet of a place of worship or school for specified areas in the 46th alcoholic beverages district. The bill also specifies that certain licenses issued to specified locations may not expire for purposes of transfer or renewal, or may be converted, and that the board may not authorize a transfer of a license in a specified location, as specified. **The bill takes effect July 1, 2024, and provisions related to the expiration, transfer, and conversion of specified licenses terminate July 31, 2025.**

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City revenues may increase minimally beginning in FY 2025, to the extent the board issues additional licenses in specified geographic areas of the 46th alcoholic beverages district, and to the extent a transfer, renewal, or conversion of a license occurs as a result of the bill.

Small Business Effect: Minimal.

Analysis

Bill Summary:

New Licenses – Specific Geographic Area

The bill authorizes the board to issue up to 10 new Class B-D-7 licenses, and up to 2 new Class A-7 licenses, in the area bounded on the north by Interstate 95, on the east by the South Locust Point Terminal, and on the south and west by the Patapsco River, of the 46th alcoholic beverages district in Baltimore City. A Class B-D-7 license and a Class A-7 license may not be transferred outside of the specified geographic area, and the board may not authorize the transfer of a license into the specified geographic area.

Distance Restrictions from a Place of Worship or School – Specific Geographic Areas

The bill specifies that the board may waive the distance restrictions for an application to issue or transfer a license within 300 feet of a place of worship or school, if certain requirements are met, in specified geographic areas in the 46th alcoholic beverages district. The board may issue or transfer a license in the geographic area (1) at the intersection of Eastern Avenue and South Highland Avenue, as specified, if the board has executed a memorandum of understanding (MOU) with a community association in the area regarding the nature of the establishment, and enforces the MOU against any license holder that obtains a license in the specific geographic area, and seeks to renew or transfer the license, and (2) at the intersection of Eastern Avenue and South Newkirk Street, as specified, only if the license holder has received a letter of support from a place of worship or school that is within the bounded area.

Expiration, Transfer, and Conversion of Licenses

The bill specifies a Class B-D-7 license issued for a premises:

- on the 2800 block of O'Donnell Street must be considered unexpired until July 1, 2024, for the purpose of completing a transfer of ownership at this location;
- in the 1600 block of Eastern Avenue must be considered unexpired until July 1, 2025, for the purpose of completing a transfer of ownership and transfer of location to a premises in the 600 block of South Caroline Street; and
- in the 600 block of South Luzerne Avenue must be considered unexpired until July 1, 2025, for the purpose of being renewed.

The bill also specifies that:

- a Class B license issued for a premises in the 3500 block of Boston Street must be considered unexpired until July 1, 2025, for the purpose of completing a transfer of ownership and a transfer of location to a premises in the 3600 block of Boston Street; however, if the Class B license transferred to the 3600 block of Boston Street was originally issued as a Class B-D-7 license, the license holder may apply to the board to convert the Class B license back to a Class B-D-7 license; a holder of a Class D beer and light wine license on the 3200 block of Eastern Avenue may apply to the board to convert to a Class D BWL license, as specified; and
- the board may not authorize a transfer of a license in ward 24, precinct 5 to a person or a location that has received funding awarded under a legislative bond initiative.

Current Law:

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, and the renewal fee is \$50.

Class A-7 License

Chapter 537 of 2018 authorized the board to issue a Class A-7 BWL license. The license authorizes the holder to sell, for off-premises consumption, beer, wine, and liquor at retail at the place described in the license on Monday through Sunday from 10:00 a.m. to midnight. The annual license fee is \$1,500, and the renewal fee is \$50. A license holder who holds a valid Class B-D-7 license issued on or before July 1, 2018, may apply to the board to exchange the license for a Class A-7 license if the license holder first obtains approval by resolution of the Baltimore City Council.

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 issue or transfer a license into a specified geographic area if the board (1) has executed a MOU with a community association in the area and (2) enforces the MOU against any license holder that obtains a license in the specific geographic area and seeks to renew or transfer the license.

After-hours Restrictions and Exemptions

Generally, a licensed premises must end all operations, including the serving of alcoholic beverages and food and providing entertainment, at the closing hour for that class of licensed premises, as specified. The board may grant an exception for remaining open after hours to specified licensees, and a pharmacy, as specified. Specifically, a holder of a Class D BWL license that operates a restaurant meets the exception for remaining open after hours if (1) it is used only for serving food to patrons seated in a dining room that is not adjacent to a bar and (2) the restaurant is located in the 46th Legislative District in the Legislative Districting Plan of 2022.

Local Fiscal Effect: To the extent the board issues a new Class B-D-7 license, revenues increase by \$1,920 at the time of application and \$1,370 annually thereafter. This estimate is based on a one-time \$600 application fee, a \$50 renewal fee, and an annual \$1,320 licensing fee. Further, to the extent the board issues a new Class A-7 BWL license, revenues increase by \$2,100 at the time of application and \$1,550 annually thereafter. The estimate is based on a one-time \$600 application fee, a \$50 renewal fee, and an annual \$1,500 licensing fee.

Additional Information

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

Designated Cross File: HB 1052 (Delegate Clippinger, *et al.*) - Economic Matters.

Information Source(s): Department of Legislative Services

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