

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 904
Finance

(Senator Hayes)

Economic Matters

Baltimore City - Alcoholic Beverages - Class B Beer, Wine, and Liquor Licenses

This bill authorizes the Baltimore City Board of License Commissioners to issue a Class B beer, wine, and liquor (BWL) license for use by a restaurant in ward 4, precincts 1 and 2 of Baltimore City. The licensee may not sell alcoholic beverages for off-premises consumption, except under a refillable container permit for draft beer, as specified. The license may not be transferred from the location of its first issuance; and if the license is renewed, the bill specifies renewal application requirements. The board may not issue a new license under the bill’s provisions after June 30, 2028, but may continue to renew licenses issued by June 30, 2028. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City revenues may increase minimally beginning in FY 2025 to the extent the board issues additional Class B BWL licenses under the bill, as discussed below.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill specifies that the board may issue a Class B BWL license in ward 4, precincts 1 and 2 of Baltimore City to a restaurant that has (1) average daily receipts from the sale of food that are at least 51% of the total daily receipts of the restaurant; (2) been classified by the Baltimore City Health Department as a high priority food service

facility, or a moderate priority food service facility; and (3) executed a memorandum of understanding with the Downtown Partnership of Baltimore.

If a license is renewed, the licensee must file with the board as part of its renewal application: (1) a statement detailing the average daily receipts from the restaurant; (2) an affidavit from a certified public accountant verifying that the licensee meets the requirement of having average daily receipts from the sale of food that are at least 51% of total daily receipts of the restaurant; and (3) any other information that the board requires.

Current Law:

Class B Beer, Wine, and Liquor 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.

Refillable Container Permit for Draft Beer

The board may issue a refillable container permit for draft beer to any class of license except a Class C license or a Class M-G license. The hours of sale for the permit begin at the same time as those for the underlying license, and end at midnight. Receipt collected under the permit are included in the calculation of average daily receipts, as specified. The annual permit fee is \$50 for an applicant holding an underlying license with an off-sale privilege, or up to \$500 for an applicant holding an underlying license without an off-sale privilege.

Local Fiscal Effect: To the extent the board issues a Class B BWL license under the bill, revenues increase by \$1,920 to \$2,400 at the time of application in fiscal 2025, and \$1,370 to \$1,850 annually thereafter. The estimate reflects an initial \$600 application fee, the annual license fee of \$1,320 or \$1,800, depending upon the seating capacity of the licensed premises, and a subsequent \$50 renewal fee for each license.

Additional Information

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

Designated Cross File: HB 1089 (Delegate Clippinger)(By Request - Baltimore City Administration) - Economic Matters.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2024
rh/tso Third Reader - March 12, 2024

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