

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 384

(Senator Della)

Education, Health, and Environmental Affairs

Economic Matters

**Baltimore City - 46th and 47th Alcoholic Beverages Districts - License Issuance,
Conversion, and Transfer**

This bill makes several changes to alcoholic beverages law in Baltimore City.

The bill takes effect June 1, 2004.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City revenues would increase by \$1,400 for each Class B beer, wine, and liquor license issued due to the application fee and license fee. Revenues would increase by \$1,100 for each license renewed. Any revenue increase related to conversion of a Class C license to a Class B license would be offset by the amount of the current fee of \$550 for a Class C license. Expenditures would not be affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: This bill authorizes the Baltimore City Board of Liquor License Commissioners to issue a Class B (restaurant) beer, wine, and liquor license in Ward 26, Precinct 8 of the 46th alcoholic beverages district if the restaurant has a minimum capital investment of \$700,000, a seating capacity exceeding 150 persons, and average daily receipts from the sale of food that are at least 65% of the total daily receipts.

The bill authorizes the board, until July 1, 2005, to issue a Class B beer, wine, and liquor license for use in a restaurant in specified wards and precincts within the 46th legislative district. The restaurant must have a seating capacity of at least 151 persons, a minimum

capital investment of \$1 million, and average daily receipts from food that are at least 70% of the total daily receipts.

The bill also authorizes a not-for-profit arts center in the Highlandtown Arts and Entertainment District that holds a Class C license on June 1, 2004 to apply, on or before May 31, 2005, to the board for conversion of the license to a Class B beer, wine, and liquor license.

The bill expands the prohibition against transferring an alcoholic beverages license to Precincts 4 and 5 in Ward 1 of the 46th alcoholic beverages district to include any alcoholic beverages license and precludes the transfer of a license between or within those precincts. The bill specifies that the board may not transfer an alcoholic beverages license into Precinct 3 in Ward 26 of the 46th legislative district or within that precinct. The bill prohibits the transfer or issuance of a license in the 46th alcoholic beverages district if the licensed premises would be located within 300 feet of the nearest point of a church or school or closer to the nearest point of a church or school than it was on June 1, 2004.

The bill also prohibits the issuance or transfer of an alcoholic beverages license to Precinct 5 in Ward 24 of the 47th alcoholic beverages district.

The bill specifies the 46th and 47th alcoholic beverages districts to be coterminous at all times with their respective legislative districts as ordered in the legislative redistricting plan ordered by the Maryland Court of Appeals.

Current Law: The Baltimore City Board of Liquor License Commissioners is not authorized to issue any new licenses for the sale of alcoholic beverages in Ward 26, Precinct 8 of the 46th alcoholic beverages district. A restaurant in the 46th alcoholic beverages district of Baltimore City must have a minimum capital investment of \$500,000, seating capacity of at least 75 but not more than 150 persons, and average daily receipts from the sale of food of at least 51% of total receipts.

The board is not authorized to transfer any license into Precincts 4 and 5 in Ward 1 of the 46th alcoholic beverages district or Precinct 3 in Ward 26 of the 46th alcoholic beverages district unless the license is a special 1-day license or a Class B (restaurant) beer, wine, and liquor license for a restaurant that has a minimum capital investment of \$200,000, seating capacity of at least 150 persons, and average daily receipts from the sale of food of at least 51% of total receipts. There is no prohibition against the issuance or transfer of any alcoholic beverages license to Precinct 5 in Ward 24 of the 47th alcoholic beverages district.

Within the 46th legislative district, the board is not authorized to issue any Class B license to a restaurant in Ward 1, Precincts 2, 3, 4, and 5; Ward 2 in its entirety; Ward 3, Precinct 3; or Ward 26, Precinct 10.

The board is not authorized to convert any alcoholic beverages license in the Highlandtown Arts and Entertainment District to any other license.

Background: Baltimore City advises that Ward 26, Precinct 8 of the 46th alcoholic beverages district is located in the Canton area. Baltimore City further advises that raising the restrictions on minimum capital investment and seating capacity is meant to allow chain restaurants to seek an alcoholic beverages license in the specified area.

Baltimore City advises that one restaurant at the Fells Point Creative Alliance, which is within the 46th alcoholic beverages district would be issued a Class B beer, wine, and liquor license.

The Highlandtown Arts and Entertainment District is a 358-acre area that encompasses all of Highlandtown and most of the Patterson Park neighborhoods.

The license fee for a Class B (restaurant) beer, wine, and liquor license is \$1,100. The application fee for an alcoholic beverages license in Baltimore City is \$300.

Local Fiscal Effect: The Baltimore City Board of Liquor License Commissioners advises that only one Class B (restaurant) beer, wine, and liquor license is expected to be issued to the Fells Point Creative Alliance and that one other license is expected to be issued in Ward 26, Precinct 8 of the 46th alcoholic beverages district. In addition, one Class C license held by a not-for-profit arts center in the Highlandtown Arts and Entertainment District is expected to be converted to a Class B beer, wine, and liquor license. Accordingly, Baltimore City revenues would increase by \$3,650 in fiscal 2005 and by \$2,750 beginning in fiscal 2006 and each year thereafter as shown below.

	<u>FY 2005</u>	<u>FY 2006 and Subsequent Years</u>
Two New Licenses in 46 th District		
Application Fee	\$600	n/a
License Fee	2,200	\$2,200
Converted License in Highlandtown		
Application Fee	300	n/a
New License Fee	1,100	1,100
Current License Fee	<u>(550)</u>	<u>(550)</u>
Total New Revenue	\$3,650	\$2,750

Prohibiting the transfer of any alcoholic beverages license to Precincts 4 and 5 in Ward 1 of the 46th alcoholic beverages district, prohibiting the issuance or transfer of any alcoholic beverages license to Precinct 5 in Ward 24 of the 47th alcoholic beverages district, and prohibiting the issuance or transfer of any alcoholic beverages license to or within Precinct 3 of Ward 26 of the 46th alcoholic beverages district, is not expected to directly affect Baltimore City finances.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 18, 2004
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