

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 866 (Delegate Love, *et al.*)
Economic Matters

Alcoholic Beverages – Closed Establishments – License Expiration

This bill expands, in every jurisdiction of the State except Baltimore City and Baltimore County, the time during which an alcoholic beverages license may remain unexpired from 10 days to up to 30 days after the licensee closes the business or ceases active alcoholic beverages business operations. The bill specifies the circumstances in which a license may remain unexpired and expands the hardship extension from an additional 20 days to up to 90 more days.

Fiscal Summary

State Effect: None.

Local Effect: None. The bill would not affect local government finances.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The bill provides that an alcoholic beverages license may remain unexpired for up to 30 days unless an application for transfer to another location or assignment to another person has been approved or is pending, an application for continuation of the business on the death of the license holder has been approved or is pending, or a written request for a hardship extension is filed.

Written requests for a hardship extension may be made by the license holder or appropriate interested person. The local licensing authority must hold a public hearing on each written request for a hardship extension that is filed. On finding that undue hardship exists, the license issuing authority may grant a hardship extension for up to 90 days.

The bill specifies that the period during which a license may remain unexpired: (1) begins at the earlier of the closing of the business and the termination of the alcoholic beverages business operations; (2) may be tolled only if an application for transfer to another location or assignment to another person has been approved or is pending, an application for continuation of the business on the death of the license holder has been approved or is pending, or a written request for hardship extension is filed; and (3) if tolled, resumes running on the denial of a transfer or continuation, denial of undue hardship extension, final judgment of a court in cases where an action of the license issuing authority has been sought, or dismissal of a petition for judicial review.

When an application or request for transfer, continuation, or hardship is withdrawn, the 30-day time limit applies as if the application or request had never been filed.

Current Law: Except in Baltimore City and Baltimore County, on the tenth day after the holder of any alcoholic beverages license has vacated, or been evicted from the premises for which the license is issued, the license shall expire unless an application for approval of a transfer to another location or assignment to another person or an application to continue the business upon the death of the license holder has been approved or is pending. The State Comptroller or local licensing board may postpone the expiration for up to 20 more days to avoid undue hardship.

Small Business Effect: Small businesses that hold an alcoholic beverages license would be positively affected by an extended period of time to reestablish business operations before their alcoholic beverages license would expire.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Montgomery County, Caroline County, Calvert County, Howard County, Comptroller's Office, Department of Legislative Services

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mam/ljm

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