

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 1397 (Delegate Bromwell and Baltimore County Delegation)
(By Request – Baltimore County Administration)

Economic Matters

Education, Health, and
Environmental Affairs

Baltimore County - Alcoholic Beverages - Multiple License Holdings

This bill increases to six the limit on the number of Class B (on-sale hotels and restaurants) beer, wine, and liquor licenses that may be issued in Baltimore County to an individual, sole proprietorship, partnership, corporation, unincorporated association, or limited liability company. The bill also establishes limits on the number of licenses that may be held by entities with direct or indirect interests in other Class B licenses in Baltimore County.

The bill takes effect June 1, 2007.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore County revenues could increase by \$1,000 annually beginning in FY 2008. County expenditures would not be affected.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The limit on the maximum number of Class B (on-sale hotels and restaurants) beer, wine, and liquor licenses that can be issued to an individual, sole proprietorship, partnership, corporation, unincorporated association, or limited liability

company in Baltimore County is increased from four to six. If one of the licenses is used within a certain Liberty Road commercial revitalization district, the entity can have up to seven licenses.

The bill also provides that an individual or sole proprietorship, partnership, corporation, unincorporated association, or limited liability company may not obtain a direct or indirect interest in more than six Class B (on-sale hotels and restaurants) beer, wine, and liquor licenses, permitting seven licenses if one of the licenses is used within a certain Liberty Road commercial revitalization district.

“An indirect interest” exists between two entities if they (1) have a common parent company; (2) are parties to a franchise agreement, licensing agreement, or concession agreement; (3) are part of a chain of business that is commonly owned and operated; (4) share a director, stockholder, partner, or member of a parent subsidiary; (5) share a director, stockholder, partner, or member of a parent subsidiary; (6) share, directly or indirectly, profit from the sale of alcoholic beverages; or (7) share a trade name, trademark, logo, or theme, or mode of operation identifiable by the public.

Current Law: Under certain conditions an individual, for the use of a sole proprietorship, partnership, corporation, unincorporated association, or limited liability company in the county may hold four Class B (on-sale hotels and restaurants) beer, wine, and liquor licenses, or five licenses if one is used within a certain Liberty Road commercial revitalization district.

Local Fiscal Effect: Baltimore County advises that there is one business that currently holds the maximum allowed number of Class B alcoholic beverages licenses. The issuance of one additional Class B alcoholic beverages license would result in an increase in annual license revenues of \$1,000. The county also advises that there are currently no Class B license holders that would be affected by enacted limits on businesses with “indirect” interests.

Small Business Effect: The increase in total number of Class B alcoholic beverages licenses that may be held may allow additional businesses to obtain a license. Certain businesses considered to have “indirect” interests in other Class B license holders may not be able to obtain a class B alcoholic beverages license.

Additional Information

Prior Introductions: None.

Cross File: SB 998 (Senator Stone, *et al.*)(By Request – Baltimore County Administration) – Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - March 12, 2007
ncs/hlb

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