

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 1018
Economic Matters

(Prince George's County Delegation)

Prince George's County - Alcoholic Beverages - License Expiration
PG 308-09

This bill requires that, in Prince George's County, an alcoholic beverages license expires 180 days after the license holder either closes the business or ceases active alcoholic beverage business operations (whichever is earlier), unless the license holder (1) has an approved or pending application to have the license transferred; (2) has died and the executor of the estate has an approved or pending application to continue the business for the benefit of the estate; or (3) has submitted a request for an undue hardship extension within the 180-day period. If an undue hardship extension is granted, the license holder has 360 days to resume alcoholic beverage business operations.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County finances are not affected.

Small Business Effect: Minimal overall, but potentially significant impact on businesses that may be allowed to have a longer period of time in which to resume alcoholic beverages business operations if the business for which the license was issued closes.

Analysis

Bill Summary: The Prince George's County Board of License Commissioners may grant an undue hardship extension for a maximum of 360 days from when the grace period began. The license holder or other appropriate interested party may make a written request to the board for an undue hardship extension for the life of the license.

However, the 360-day limit still applies. The bill specifies how the grace period is calculated and which actions will suspend the grace period or resume a suspended grace period. If an application for transfer, undue hardship, or continuation of the business is withdrawn, the grace period will not be suspended and will be calculated as if the application was never filed.

Current Law: In general, an alcoholic beverages license expires 10 days after the applicant vacates or has been evicted from the premises for which the license was issued. The license issuing authority may grant a 20-day extension to avoid undue hardship. Exceptions may be granted if the license holder has applied for a transfer or is deceased and the executor of the deceased license holder's estate applies for permission to continue the business for the benefit of the estate. A license holder who has ceased alcoholic beverages business operations because the premises of the business have been acquired for public use has 180 days to apply for a transfer to another location or reassignment to another individual.

Background: In Baltimore City and Allegany and Baltimore counties, license holders have 180 days from the closing of the business or cessation of alcoholic beverages operations before an alcoholic beverages license expires. The license holder may apply to have the license transferred or for an undue hardship extension. Additionally, the executor of a license holder's estate has 180 days after the death of the license holder to apply for permission to continue the business for the benefit of the estate.

Local Fiscal Effect: The number of alcoholic beverages licenses that may be issued in Prince George's County is limited by statute. Under current law, the alcoholic beverages license expires when the license holder vacates or is evicted from the premises for which the license was issued. Consequently, it is possible for a business establishment to close while retaining its alcoholic beverages license. As a result of this bill, the license will expire for a business that ceases active alcoholic beverages operations. However, Prince George's County advises that there is sufficient demand for alcoholic beverages licenses in the county to offset any licenses terminated as a result of this bill. Thus, terminated licenses under the bill's provisions are not likely to produce a decrease in license fee revenue.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County, Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2009
ncs/mwc

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