

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 488

(Senator Conway, *et al.*)

Education, Health, and Environmental Affairs

Economic Matters

Baltimore City - Alcoholic Beverages - Class B-D-7 License Holders - Security Plan

This bill requires a holder of a Class B-D-7 alcoholic beverage license in Baltimore City who offers the playing of music, dancing, or other similar type of entertainment to develop a security plan to prevent the licensed premises from posing a threat to the peace and safety of the surrounding area. The security plan must be submitted to the Baltimore City Board of Liquor License Commissioners for review.

Fiscal Summary

State Effect: None.

Local Effect: Significant operational impact for the Baltimore City Board of Liquor License Commissioners to review and approve security plans. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: Potential meaningful. Baltimore City reports that, for a small neighborhood establishment, this bill would present a significant operational burden.

Analysis

Bill Summary: The bill requires a holder of a Class B-D-7 alcoholic beverage license in Baltimore City who offers the playing of music, dancing, or other similar type of entertainment to develop a security plan to prevent the licensed premises from posing a threat to the peace and safety of the surrounding area. The security plan must be submitted to the Baltimore City Board of Liquor License Commissioners for review. The board may issue or renew the license, refuse to issue or renew the license, or condition

the issuance or renewal of the license on changes to the security plan. A Class B-D-7 licensee must implement and follow the approved security plan at all times when exercising the privileges of the license.

The board may immediately suspend a Class B-D-7 license if:

- the board reasonably believes that the licensee violated the security plan provisions;
- the board reasonably believes that the licensed premises pose a threat to the peace and safety of the surrounding area that needs to be addressed on an emergency basis based on compelling information; and
- the notice of immediate suspension sets forth the justification for the immediate suspension of the license.

If the board immediately suspends a license, the board must give the licensee notice of the suspension and a hearing, within 30 days, on the suspension at which the licensee may be heard and present evidence. At the hearing, the board must determine whether the licensee is in violation and, if so, what penalty to impose. For a violation, the board may revoke or continue the suspension of the license and must impose a penalty of:

- for a first offense, at least \$1,000 but not more than \$12,500; and
- for each subsequent offense, at least \$5,000 but not more than \$15,000.

In setting the amount of the penalty, the board must consider the severity of the violation for which the penalty is to be assessed, the good faith of the violator, and any history of prior violations.

The board must revoke the license of a person who the board determines violated security plan provisions twice within a 24-month period; and until at least 12 months after the order of revocation were issued, may not consider an application from the person for a new license or an application for a new license for the premises that was the subject of the revocation. If the board determines that the licensee was not in violation, the board must immediately reinstate the license.

The board is required to adopt regulations to carry out these provisions.

Current Law: In Baltimore City, holders of a Class B-D-7 license may sell alcoholic beverages from 6 a.m. until 2 a.m. the following day, 7 days per week. In the Park Heights Redevelopment Area that is specified in the Park Heights Master Plan adopted in 2006, the hours of sale begin at 9 a.m. each day.

Background: In Baltimore City, there are 461 Class B-D-7 license holders. Of that number, approximately 100 are providing entertainment covered under the bill. They range in capacity from 65 people to 2,500 people. According to Baltimore City, this includes establishments such as the Meyerhoff Symphony Hall, the Lyric Opera House, and Baltimore Centerstage, but none of the arena licenses. It does include live karaoke entertainment in licensed establishments.

Local Fiscal Effect: Baltimore City indicates that this bill will place a significant operational burden on the Board of Liquor License Commissioners and licensees in order to review and approve security plans of all B-D-7 licensed establishments prior to license renewals. Baltimore City did not quantify such an impact.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 3, 2011
mm/hlb Revised - Senate Third Reader - March 30, 2011

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