

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 1271
Economic Matters

(Delegate Jameson, *et al.*)

Alcoholic Beverages - Multiple Licenses - Chain Stores and Out-of-State Licenses

This bill authorizes a chain store to hold five, rather than one, Class A, C, or D alcoholic beverages license in the State. Not more than one such license may be issued to an individual, partnership, corporation, unincorporated association, or limited liability company for the use of an establishment that derives less than 85% of revenue from the sale of alcoholic beverages. The bill also repeals prohibitions against issuing certain alcoholic beverages licenses in specified counties to a person who holds an alcoholic beverages license in another state or the District of Columbia.

The bill takes effect June 1, 2012.

Fiscal Summary

State Effect: None.

Local Effect: To the extent that this bill leads to the issuance of additional local alcoholic beverages licenses, local license fee revenues will increase. The revenue increase will vary by jurisdiction and cannot be readily quantified.

Small Business Effect: Potential meaningful. To the extent that this bill leads to the issuance of additional local alcoholic beverages licenses, businesses with the new license will benefit. However, the bill may also decrease sales for some existing licensees.

Analysis

Bill Summary: Specifically, the bill provides that a business establishment may not be considered a chain store for purposes of granting, issuing, or transferring a Class A, B, or

D beer license; beer and wine license; or beer, wine, and liquor license; if the alcoholic beverages licensee holds not more than five Class A, C, or D licenses in the State, or uses a name or trademark common to other businesses that are in or outside the state.

The bill also repeals prohibitions against issuing, except by way of renewal, a Class A or Class D beer; beer and light wine; or beer, wine, and liquor licenses; in specified counties to a person who holds an alcoholic beverages license issued in another state or the District of Columbia.

Current Law: A Class A, B, or D beer; beer and wine; or beer, wine, and liquor; except by way of renewal, may not be granted, transferred, or issued to, or for use in conjunction with, or upon the premises of any business establishment of the type commonly known as chain stores, supermarkets, or discount houses. This does not apply to or affect any business establishment already holding such a license or the possibility of such licensee having the license transferred to a similar type of business establishment.

The following jurisdictions prohibit the issuance, except by way of renewal, a Class A or Class D beer; beer and light wine; or beer, wine and liquor license; to a person who holds an alcoholic beverages license issued in another state, or the District of Columbia: Allegany, Anne Arundel, Baltimore, Calvert, Charles, Garrett, Howard, St. Mary's, and Washington counties and Baltimore City.

With specified exceptions, including license renewals, no more than one alcoholic beverage license that is a Class A, Class C, or Class D license may be issued in this State to any individual for the use of (1) that individual in Maryland; or (2) for the use of any partnership, corporation, unincorporated association, or limited liability company in the State.

Additional Information

Prior Introductions: None.

Cross File: Although not identified as a cross file, this bill is identical to SB 762.

Information Source(s): Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - March 21, 2012
ncs/hlb

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