

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 313 (Senator Pugh, *et al.*)
Education, Health, and Environmental Affairs

**Baltimore City Board of Liquor License Commissioners - License Renewal
Applications - Mandatory Rejection**

This bill requires the Baltimore City Board of Liquor License Commissioners to reject a license renewal application if it is submitted after April 30.

Fiscal Summary

State Effect: None.

Local Effect: Potential decrease in Baltimore City alcoholic beverages license fee revenue of \$31,500 in FY 2013 and \$25,000 per year in succeeding fiscal years. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Potential meaningful. Because some categories of rejected license renewals cannot be replaced with new licenses, the bill's requirements may lead to the closure and loss of some number of taverns and package stores.

Analysis

Current Law: In Baltimore City, unless a licensee presents to the Board of Liquor License Commissioners by June 30 of the respective year, a certificate issued by the Director of Finance, showing that there are no unpaid taxes on the merchandise, fixtures and stock of the applicant due to the City of Baltimore or the State, the renewal license must be immediately suspended without a hearing but thereafter must be immediately returned without a hearing upon presentation of such a certificate.

Each year, between March 1 and March 31, each licensee must file an application for license renewal with the board. An applicant for a license renewal must pay a renewal application fee of \$50 to the Director of Finance. A renewal application received after March 31 may be subject to rejection or a \$50 late charge for each day the application is filed late, not to exceed \$1,500.

Local Fiscal Effect: Currently, there are 31 alcoholic beverages licenses in Baltimore City held by secured creditors. The board advises that secured creditors are often landlords, banks, or other interested parties who may not know that a licensee has not renewed the license. Even if the lender knows that the licensee may have abandoned the business, if the secured creditor has to file in court or obtain a judgment, that process will not be completed by April 30. The board advises that requiring a mandatory rejection of a late renewal can significantly impact license fee revenues and future economic development since the board will only be able to issue new restaurant and hotel licenses. Tavern or package store licenses cannot be replaced.

The board estimates that the bill may result in a decrease in license fee revenues of \$31,500 in fiscal 2013 and \$25,000 per year, thereafter.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 16, 2012
mlm/hlb

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