

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 627 (Senators Conway and Middleton)

Education, Health, and Environmental Affairs

Economic Matters

Multiple Jurisdictions - Alcoholic Beverages - Class B and Class BLX Licenses -
Restaurants

This bill alters provisions of law relating to the issuance of additional Class B and/or Class BLX (where applicable) alcoholic beverages licenses in Anne Arundel, Baltimore, Calvert, Charles, Howard, Montgomery, and Prince George's counties, and Baltimore City. The bill increases the minimum capital investment required for a restaurant to qualify for a Class BLX alcoholic beverages license in Prince George's County.

The bill takes effect June 1, 2012.

Fiscal Summary

State Effect: None.

Local Effect: Potential minimal increase in revenues from new licenses issued up to the maximum number allowed in a local jurisdiction.

Small Business Effect: Potential meaningful additional revenue through increased sales of alcoholic beverages for small businesses that qualify for and are issued a new Class B, or Class BLX license, offset by the cost of the license.

Analysis

Bill Summary/Current Law: Generally, no more than one alcoholic beverages license can be issued to any person, or for use of any partnership, corporation, unincorporated association, or limited liability company, in any local jurisdiction of the State except by way of renewal or where otherwise provided under provisions of law, and no more than one license can be issued for the same premises except where otherwise provided under law.

Anne Arundel County

The bill increases, from 6 to 10, the maximum number of restaurant alcoholic beverages licenses a licensee may hold in Anne Arundel County subject to additional provisions. The bill specifies that the potential seventh, eighth, ninth, and tenth licenses added by this provision must all be a Class BLX (deluxe restaurant) (on sale) beer, wine, and liquor license. The bill authorizes these additional licenses to be located anywhere within the county, and repeals a previous provision that limited the location of the fifth alcoholic beverages license, and any additional licenses sought beyond the fifth, to specific community revitalization zones as defined and adopted by the Anne Arundel County Council.

Baltimore City and Baltimore County

The bill generally increases, from three to five, the maximum number of Class B (on-sale – hotels and restaurants) beer, wine, and liquor licenses issued to any person, or for the use of any partnership, corporation, unincorporated association, or limited liability company in Baltimore City or Baltimore County. While current provisions of law authorize additional licenses beyond this new maximum of five licenses in certain circumstances (*e.g.*, a licensee with a location within the Liberty Road Commercial Revitalization District currently has the potential to qualify for up to seven Class B (on-sale – hotels and restaurants) beer, wine, and liquor licenses), the bill does not serve to further expand these additional maximums.

Calvert County

The bill increases, from three to four, the maximum number, in any combination, of Class B and Class BLX alcoholic beverages licenses in Calvert County an individual, corporation, limited liability company, partnership, limited partnership, joint venture, association, or other person or combination of persons may have a direct or indirect interest in.

Charles County

The bill increases, from one to two, the maximum number of additional Class BLX alcoholic beverages licenses authorized in Charles County for use in a luxury-type restaurant for each Class BLX licensee who applies in the county.

Howard County

The bill increases, from five to nine, the maximum number, in any combination, of Class B and Class BLX alcoholic beverages licenses in Howard County a person, including a corporation, limited liability company, partnership, limited partnership, joint venture, association, or other combination of persons may have a direct or indirect interest in. The bill additionally specifies that the Howard County Board of License Commissioners are authorized to issue a maximum of two (unchanged from current law) Class B (on-sale) beer, wine, and liquor licenses and seven (an increase from the present three) Class BLX (luxury restaurant) (on-sale) beer, wine, and liquor licenses, or nine (an increase from the current five) Class BLX (luxury restaurant) (on-sale) beer, wine, and liquor licenses for separate premises to an individual; or for the use of a partnership, corporation, or unincorporated association.

Montgomery County

The bill increases, from five to nine, the maximum number of additional Class B beer, wine, and liquor (on-sale) licenses, and from 6 to 10, the total number of Class B beer, wine, and liquor (on-sale) licenses a holder of an original Class B license may obtain in Montgomery County.

Prince George's County

The bill increases, from \$800,000 to \$1,000,000, the minimum capital investment for dining room facilities and kitchen equipment, not including the cost of land, buildings or a lease, a luxury type restaurant must have in order to be issued a Class BLX alcoholic beverages license in Prince George's County. The bill increases, from 6 to 10, the maximum number of Class BLX alcoholic beverages licenses a licensee may hold in the county. Prior to issuing an additional BLX alcoholic beverages license authorized by the bill, the Prince George's County Board of License Commissioners must consider the number of licensed establishments existing in the area surrounding the site of the proposed licensed establishment, and only issue an additional license if the board determines that the proposed licensed establishment will enhance the recreational, business, and economic development of the area.

Background: According to the Comptroller's Alcohol and Tobacco Tax Annual Report for fiscal 2011, there are 27 Class B beer, 554 Class B beer and wine, and 2,767 Class B beer, wine, and liquor alcoholic beverages licenses issued in the State.

Additional Information

Prior Introductions: None.

Cross File: HB 767 (Delegate Davis) - Economic Matters.

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

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