

Department of Legislative Services  
Maryland General Assembly  
2016 Session

FISCAL AND POLICY NOTE  
Third Reader

House Bill 642

(Anne Arundel County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

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Anne Arundel County - Alcoholic Beverages - Licenses

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This bill allows a licensee in Anne Arundel County to obtain a second or third Class BLX Deluxe Restaurant alcoholic beverages license for use in a restaurant if the restaurant is located in a shopping center with a gross area of at least 1,000,000 square feet and it is zoned MXD-C General Commercial by the county. The bill also exempts the Class BLX Deluxe Restaurant license from a distance restriction related to schools and places of worship, expands the types of entertainment that may be provided in an establishment with this license, and makes conforming changes. Finally, the bill specifies that the general limit of one alcoholic beverages license for a licensee does not apply to hotel-limited service (on-sale) licenses in Anne Arundel County.

The bill takes effect July 1, 2016.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** To the extent that the bill results in additional applications for and issuance of Class BLX Deluxe Restaurant alcoholic beverages licenses and hotel-limited service licenses in Anne Arundel County, county revenues increase due to applicable filing and annual licensing fees. Monitoring of additional licenses can be handled using existing resources.

**Small Business Effect:** Minimal overall, but potential meaningful impact for small businesses that take advantage of the bill's expansion of the Class BLX Deluxe Restaurant license and hotel-limited services on-sale license in Anne Arundel County.

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## Analysis

**Bill Summary:** In Anne Arundel County, a Class BLX Deluxe Restaurant (on-sale) beer, wine, and liquor license may be granted for use in a building located within 1,000 feet (in a straight line from entry to entry) of a church or school.

The holder of a Class BLX license is authorized to:

- play recorded music of any kind, or live music with no more than two musicians, if the licensee obtains a special music license; however, dancing, floor shows, or other similar live entertainment is not permitted;
- play more than one television, live music with not more than four musicians, karaoke, and a disc jockey, provided the licensee obtains a special entertainment license;
- have music, dancing, and other legal forms of entertainment, provided the licensee obtains a special dancing license; however, a Class BLX license that is located within 1,000 feet in a straight line from entry to entry from a church or school may not obtain a special dancing license;
- obtain a special outdoor license to provide outdoor table service to customers on the grounds of the licensed establishment; and
- obtain a special outdoor entertainment license to provide the same kind of entertainment as the licensee's existing special music, special entertainment, or special dancing license.

### Current Law:

*MXD-C General Commercial Designation:* In Anne Arundel County, Mixed Use Districts are designed to promote the mixing of residential, commercial, and industrial uses in varying proportions depending on which of the four Mixed Use Districts (MXD-R, MXD-C, MXD-E, and MXD-T) the property has been zoned. Generally, the minimum site area is 10 acres.

*Limitations on the Number of Alcoholic Beverage Licenses:* Generally, only one alcoholic beverages license may be issued to a single licensee in the State, and no more than one license may be issued for the same premises, with specified exceptions. In Anne Arundel County, this limit does not apply to licenses issued for motel-restaurant complexes or hotel-restaurant complexes having 100 rooms or more. Furthermore, in Anne Arundel County a licensee may obtain up to 10 of any class of license. Of these licenses, no more than 4 may be licenses in which the licensee holds a direct interest, and the remaining licenses must be ones in which the licensee holds an indirect interest (for example, through a franchise agreement).

A person may be issued one Class B license, Class H license, or Class BLX license for a restaurant located anywhere in Anne Arundel County. A second Class H or Class BLX license may be obtained; however, any additional licenses obtained must be Class BLX. The second and third license obtained may only be located in a shopping center with a gross area of at least 1,000,000 square feet that is zoned C3; however, future licenses may be located anywhere in the county.

*Class BLX Deluxe Restaurant License:* A Class BLX Deluxe Restaurant license in Anne Arundel County may only be issued for use by an establishment that (1) qualifies as a restaurant; (2) has a minimum seating capacity of 100 persons for dining; (3) has a cocktail lounge or bar area seating capacity that does not exceed 25% of the seating capacity for dining; (4) has parking facilities to accommodate a minimum of 75 vehicles; and (5) has a minimum capital investment by the applicant of \$800,000 exclusive of the cost of the land and buildings. A Class BLX Deluxe Restaurant license may not be issued for use in a fast-food style restaurant. The annual license fee is \$1,200.

*Hotel-limited Service (On-sale) License:* A hotel-limited service license may be issued to a person who owns or leases a hotel that contains at least 50 rooms and operates a kitchen licensed at least as a food service facility. The annual fee for a beer and wine (hotel-limited service) license is \$2,400, and the annual fee for a beer, wine, and liquor (hotel-limited service) license is \$2,800.

*Entertainment in an Establishment with an Alcoholic Beverages License:* Except for piped-in background music or one television screen, in Anne Arundel County, the holder of any class of alcoholic beverages license may not permit playing music, live music, a karaoke machine, a disc jockey, dancing, floor shows, or any other similar type of entertainment on the licensed premises or on an adjacent property in which the licensee has ownership or control. However, a Class B, Class D, or Class H license may obtain specified special entertainment licenses to allow entertainment activities such as dancing, karaoke, or watching television.

**Background:** In fiscal 2015, there were 574 alcoholic beverages licenses issued for use in Anne Arundel County.

**Local Fiscal Effect:** To the extent that the bill results in additional applications for and issuance of Class BLX Deluxe Restaurant alcoholic beverages licenses and hotel-limited service licenses in Anne Arundel County, county revenues increase due to applicable filing and annual licensing fees. However, the number of individuals that will seek to obtain or obtain an alcoholic beverages license as a result of the bill, and any corresponding increase in filing and licensing fee revenue, cannot be reliably estimated at this time.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 33 (Senator Astle) - Education, Health, and Environmental Affairs.

**Information Source(s):** Anne Arundel County, Comptroller's Office, Department of Legislative Services

**Fiscal Note History:** First Reader - February 18, 2016  
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