

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 606

(Senators West and Klausmeier)

Education, Health, and Environmental Affairs

Economic Matters

Baltimore County – Alcoholic Beverages Licenses – Transfers

This bill authorizes the Baltimore County Board of License Commissioners to approve the transfer of up to five Class B or Class D licenses from an eligible transferor district, as specified. When the board receives an application to transfer a license, it must notify the Baltimore County Department of Workforce and Economic Development (DWED). On the basis of DWED recommendations and under specified conditions, the board may deny a transfer application. The bill prohibits the board from transferring more than two licenses into any single election district. The bill removes certain restrictions relating to Class B Service Bar (SB) beer and wine licenses in the county. The bill also makes technical changes to remove outdated language related to expired dates by which the board was previously required to approve the transfer of licenses. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: None.

Local Effect: The Baltimore County Board of License Commissioners can transfer the licenses with existing resources. The Baltimore County DWED can provide information as needed using existing resources. Baltimore County revenues are not affected since no new licenses are created, only transferred between election districts.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill authorizes the board, from June 1, 2022, to May 31, 2025, to approve the transfer of up to five Class B or Class D alcoholic beverages licenses in

existence in an eligible transferor district on June 1, 2022, from the district to other election districts within the county. An “eligible transferor district” means an election district in which the total number of Class B and Class D licenses, excluding exception licenses, is 15% or greater than the total number of Class B and Class D licenses allowed in an election district based on the rule of the board that limits the total number of licenses available in an election district by population. The number of licenses in existence prior to the transfer must not be greater than 25% more than the number of licenses that would otherwise exist in that election district, as specified. No more than two licenses can be transferred into any single election district. When the board receives an application to transfer a license, the board must notify DWED.

When the license holder owns the property from which the license is to be transferred, the transfer application must include information on the status of the real property associated with the license and any plans for disposition and future use of the property. The board must deny a transfer if, based on an assessment provided by DWED, (1) the applicant has not demonstrated that there is an appropriate future use of the property from which the license is to be transferred or (2) the transfer will result in significant negative economic impact to the community that surrounds the property. The board may waive this requirement if, with the concurrence of DWED, the board finds that the license holder has undertaken good faith efforts to facilitate a future use of the property and mitigate any negative economic impacts to the surrounding community.

When the license holder has no ownership in the property from which the license is to be transferred, DWED may submit a letter to the board regarding the economic impact of the transfer on the community that surrounds the property from which the license is to be transferred. The board may deny a transfer based on such a letter unless the board finds that the applicant has undertaken a good faith effort to facilitate a future use of the property by advising the property owner of the intention to transfer the license to another location. The applicant may submit information to the board in support of the transfer.

Generally, the bill makes conforming changes to specify that provisions applying to transfers from election district 15 under current law also apply to transfers from an eligible transferor district as specified in the bill. When a license is transferred from an eligible transferor district to another election district, the license does not continue to exist in the eligible transferor district from which it was transferred. Further, the board must convert class D licenses transferred from an eligible transferor district to any other election district into a Class B license.

Class B Service Bar (SB) Beer and Wine License

The bill removes restrictions requiring that (1) no more than one Class B Service Bar (SB) beer and wine license may be issued in any one election district per year; (2) a Class B

Service Bar (SB) beer and wine license may not be issued for use on premises or a location for which any on-sale license has been issued within two years before the application for the license is filed; and (3) any person, including an individual or sole proprietorship, partnership, corporation, unincorporated association, and limited liability company, may not have a direct or indirect interest in more than one Class B Service Bar (SB) beer and wine license.

Current Law:

Subject to exceptions, the maximum number of allowable alcoholic beverages licenses in a single election district in Baltimore County, pursuant to Rule 19 of the Baltimore County Board of Liquor License Commissioners' Rules and Regulations, is limited to one on-sale license, excluding club licenses, for every 2,500 people and one off-sale license for every 4,000 people. Generally, no license can be transferred from the election district in which it was originally located.

Chapter 558 of 2012 authorized the Baltimore County Board of Liquor License Commissioners, from May 1, 2012, to April 30, 2017, to approve the transfer of up to 25 Class B or Class D alcoholic beverages licenses in existence in election district 15 on May 1, 2012, from the district to other election districts within the county, as specified.

Chapter 599 of 2013 allowed the transfer of Class B or D alcoholic beverages licenses in Baltimore County from election district 15 to the Towson Commercial Revitalization District, the Quarry at Greenspring, the Metro Center at Owings Mills, and the Promenade at Catonsville to be included in the total number of transferred licenses required by Chapter 558.

Class B Service Bar (SB) Beer and Wine License

A Class B Service Bar (SB) beer and wine license has an annual license fee of \$5,000 and may be issued to restaurants who comply with the following:

- the license may be used only in the operation of a restaurant maintaining average daily receipts from the sale of food of at least 60% of the total daily receipts of the establishment;
- the license must allow on-premises sales of beer and wine only;
- the license allows alcoholic beverages to be served to patrons only as part of a meal;
- the license must be restricted to restaurants having table service, excluding any type of service provided to a customer who is standing or accepting delivery of the purchased food items other than while seated at a table;

- the proposed location of the restaurant for which the license is sought must comply with the zoning ordinances of the county, including allowing seating for not fewer than 30 customers and not more than 100 customers;
- the license may not be used in conjunction with the viewing of televised sporting events, or the use of live bands, disc jockeys, karaoke, or any other form of live entertainment;
- a Class B or Class D license transferred from district 15, or a Class B Service Bar (SB) beer and wine license issued in another district when fewer than five Class B or Class D licenses are transferred from district 15 to any other district in the county within any one year, as specified, may not thereafter be transferred from the licensed premises or converted to another class of license;
- not more than one Class B Service Bar (SB) beer and wine license may be issued in any one election district per year;
- the license may not be issued for use on premises or a location for which any on-sale license has been issued within two years before the application for the license is filed; and
- any person, including an individual or sole proprietorship, partnership, corporation, unincorporated association, and limited liability company, may not have a direct or indirect interest in more than one Class B Service Bar (SB) beer and wine license.

Additional Comments: In fiscal 2021, there were 5 Class D beer licenses, 12 class B and 39 Class D beer and wine licenses, and 352 Class B and 143 Class D beer, wine, and liquor licenses issued in Baltimore County.

This analysis assumes that references to the Department of Workforce and Economic Development are intended to apply to the [Department of Economic and Workforce Development in Baltimore County](#).

Additional Information

Prior Introductions: None.

Designated Cross File: HB 460 (Delegate Guyton) - Economic Matters.

Information Source(s): Baltimore County; Alcohol and Tobacco Commission; Department of Legislative Services

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