

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 381

(Senator M. Washington)

Finance

Economic Matters

Baltimore City - Alcoholic Beverages - Class A-7 Licenses

This bill repeals the prohibition against the Baltimore City Board of License Commissioners issuing a Class A-7 beer, wine, and liquor (BWL) license in the 43rd legislative district. The bill also authorizes the board to issue a Class A-7 license after June 30, 2022. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City revenues increase minimally beginning in FY 2024 to the extent the board issues additional Class A-7 licenses under the bill, as discussed below. Baltimore City can enforce the bill with existing resources.

Small Business Effect: Minimal.

Analysis

Current Law:

Class A-7 License

Chapter 537 of 2018 authorized the board to issue a Class A-7 BWL license. The license authorizes the holder to sell, for off-premises consumption, beer, wine, and liquor at retail at the place described in the license on Monday through Sunday from 10:00 a.m. to midnight. The annual license fee is \$1,500. A license holder who holds a valid Class B-D-7 license issued on or before July 1, 2018, may apply to the board to exchange the license

for a Class A-7 license if the license holder first obtains approval by resolution of the Baltimore City Council. The board may not issue a Class A-7 license after July 1, 2022. Chapter 510 of 2020 prohibited a Class A-7 license from being issued in the 43rd legislative district.

Local Fiscal Effect: To the extent the board issues a Class A-7 BWL license, including in the 43rd legislative district, after July 1, 2023, under the bill, revenues increase by \$2,100 at the time of application and \$1,500 annually thereafter. The estimate reflects a \$600 application fee and the annual license fee of \$1,500 for a Class A-7 beer, wine, and liquor license.

Also, for each Class B-D-7 license exchanged for a Class A-7 license after July 1, 2023, under the bill, Baltimore City revenues increase by \$780 at the time of application and \$180 annually thereafter. This estimate reflects a \$600 application fee and the difference between the annual license fees for the Class A-7 and Class B-D-7 licenses (\$1,500 and \$1,320, respectively). While the number of license holders who will seek to exchange a Class B-D-7 license for a Class A-7 license after July 1, 2023, under the bill is unknown, it is likely to be minimal.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 251 (Delegate Boyce) - Economic Matters.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2023
js/tso
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