

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 905
Economic Matters

(Delegate Hinebaugh)

Finance

Garrett County Alcoholic Beverages Act of 2023

This bill establishes the framework for the expiration of alcoholic beverages licenses in Garrett County. The bill also (1) decreases, from 25 to 10 rooms, the requirement of a Class B beer, wine, and liquor license held by a hotel or motel; (2) expands the authorization of a gift basket permit to include alcoholic beverages purchased from a wholesaler; (3) authorizes the holder of a multiple event and specified Class C alcoholic beverages licenses to hold another alcoholic beverages license of a different class or nature; and (4) extends the hours of sale for Sunday sales of alcoholic beverages in the county to 6:00 a.m. to midnight. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: None. The Judiciary can handle the increase in workload with existing budgeted resources.

Local Effect: The bill does not materially affect Garrett County finances or operations.

Small Business Effect: Potential meaningful. The bill’s extension of the hours of Sunday sales of alcoholic beverages could increase sales for the affected licensed establishments.

Analysis

Bill Summary:

Expiration of Local Licenses

A license issued by the Garrett County Board of License Commissioners expires six months after the license holder has closed the business or stopped active alcoholic

beverages operations at the premises unless (1) an application for approval or transfer to another person or location, as specified, has been approved or is pending; (2) an application for a certificate of permission or a renewal license for continuation of business, as specified, has been approved or is pending; or (3) a written request for a hardship extension is filed within the six-month period.

A license holder or another appropriate party may submit a written request to the board to extend the life of the license due to hardship which automatically extends the life of the license for one year after the date the business stopped operations. A hardship extension may not prolong the life of an inactive license beyond the total of one year after the date of closing and any time period during which the license is suspended, as specified.

The period for which a license may be considered unexpired begins at the earlier of the closing of the business or stopping of alcoholic beverages operations and may be suspended only by filing an application or specified request. The expiration period resumes on the last to occur of (1) the final action of the board; (2) the final judgment of the reviewing court, as specified; or (3) the dismissal of a petition for judicial review of the board's action.

If an application or request is withdrawn, the period for automatic expiration of the license may not be suspended on the basis of the withdrawal and the application or request must be considered as if it had not been filed.

If a licensed premises is forced to close due to casualty loss, the board may, without circuit court approval, extend the license for up to two years after the closing.

Current Law:

Expiration of Local Licenses

A license issued by the board expires 10 days after the license holder has vacated or been evicted from the licensed premises unless an application is pending or has been approved for (1) a transfer of a license to another person or location, as specified, or (2) a certificate of permission or a renewal license for continuation of business, as specified.

A license acquired for public use expires 180 days after acquisition unless an application is pending or has been approved for (1) a transfer of a license to another person or location, as specified, or (2) a certificate of permission or a renewal license for continuation of business, as specified. The board may postpone, for a period of up to 20 days, the expiration of a license to avoid hardship.

General Prohibition on Issuance of Multiple Licenses to a Single License Holder

Generally, and with specified exceptions, the number of alcoholic beverages licenses that may be issued to an individual license holder is limited to one. In Garrett County, a person may hold multiple licenses for specified bowling establishments if the licenses are Class D beer or Class D beer and wine licenses.

Class B Motel and Hotel Licenses

The board may issue a Class B beer, wine, and liquor license to specified hotels or motels with at least 25 rooms.

Gift Basket Licenses

The board may issue a gift basket permit to persons whose primary business is the sale and delivery of gift baskets containing food, beverages, and flowers. This permit may not be granted to those who already hold another liquor license or related permit or for use in conjunction with a chain store, supermarket, or discount house. Permitted persons who seek to sell alcoholic beverages as a part of their gift baskets must source these alcoholic beverages from a retail license holder.

Sunday Sales

Generally, Sunday sales of alcoholic beverages in Garrett County are authorized from 10:00 a.m. to midnight.

Additional Information

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

Designated Cross File: SB 821 (Senator McKay) - Finance.

Information Source(s): Garrett County; Judiciary (Administrative Office of the Courts); Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2023
rh/tso Third Reader - March 20, 2023

Analysis by: Samuel A. Kebede

Direct Inquiries to:
(410) 946-5510
(301) 970-5510