

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 824
Finance

(Senator McCray)

**Alcoholic Beverages - Prohibition on Class A Licenses for Chain Stores,
Supermarkets, and Discount Houses - Repeal**

This bill repeals a prohibition on local licensing boards from issuing a Class A beer license, beer and wine license, or beer, wine, and liquor license for use in conjunction with or on the premises of a chain store, a supermarket, or a discount house. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: Local expenditures and revenues may increase, likely minimally and correspondingly, as additional licenses are issued as a result of the bill and the local licensing boards increase enforcement activities for new licensees.

Small Business Effect: Meaningful.

Analysis

Current Law: Maryland's 23 counties, Baltimore City, and the City of Annapolis all have boards of license commissioners who issue and enforce retail alcoholic beverages licenses in their jurisdictions. Within each jurisdiction, the most common types of retail licenses are Class A, Class B, Class C, and Class D licenses. Each license authorizes the sale of alcoholic beverages in a different manner and may authorize the sale of alcohol for on- and off-premises consumption, as specified. For example, Class A licenses generally only allow the sale of alcoholic beverages for off-premises consumption, and Class B licenses are generally issued to restaurants and allow the sale of alcoholic beverages with food.

Under current law, a local licensing board generally may not issue Class A, Class B, or Class D alcoholic beverages licenses for use in conjunction with or on the premises of a chain store, supermarket, or discount house.

Small Business Effect: Small businesses that are chain stores, supermarkets, or discount houses that obtain a license as a result of the bill's provisions are likely to benefit from the authority to sell alcoholic beverages. Conversely, some small businesses that are licensed to sell alcoholic beverages under the current law are likely to lose business as chain stores, supermarkets, or discount houses begin to sell alcoholic beverages.

Additional Information

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

Designated Cross File: None.

Information Source(s): Anne Arundel, Baltimore, Charles, Dorchester, and Garrett counties; Alcohol, Tobacco, and Cannabis Commission; Department of Legislative Services

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Analysis by: Joanne E. Tetlow

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