Department of Legislative Services

Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 442 (Anne Arundel County Senators)
Finance Government, Labor, and Elections

Anne Arundel County - Population Ratio Quota for Class A (Off-Sale) and Class D (Off-Sale) Licenses - Exemption

This bill excludes an application filed on or after January 1, 2023, and approved by the Anne Arundel County Board of License Commissioners by June 30, 2025 from statute in Anne Arundel County that restricts the issuance of a Class A (off-sale) or Class D (off-sale) license to a business if it is located in an assessment district where the ratio of off-sale licenses exceeds one for every 3,500 individuals, or if the issuance of the license would cause the ratio to exceed one license per 3,500 individuals. **The bill takes effect July 1, 2026, and terminates December 31, 2028.**

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County revenues increase by $5,160 annually beginning in FY 2027. Anne Arundel County expenditures are not affected.

Small Business Effect: Minimal.

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.

Generally, off-sale licenses authorize the license holder to sell alcoholic beverages for consumption off the licensed premises. In the State, Class A licenses authorize the sale of alcoholic beverages as packaged goods, and Class D licenses authorize the sale of alcoholic beverages for taverns.

Population Ratio Quota

"Assessment district" means a tax assessment district established by the county and shown on the official map adopted by the county council titled "Tax Assessment Districts, 2005." The population of each assessment district is determined by the latest federal census or estimates prepared by the Anne Arundel County Office of Planning and Zoning.

The Anne Arundel County Board of License Commissioners may issue off-sale licenses based on its determination of whether the license is necessary to accommodate the public. Chapter 69 of 2020 authorized the board to consider the population-to-license ratio in the applicant's assessment district in its determination.

Chapters 818 and 819 of 2025 restricted the issuance of Class A (off-sale) and Class D (off-sale) licenses in Anne Arundel County if the business applying for a license is located in an assessment district where the ratio of off-sale licenses exceeds one for every 3,500 individuals, or if the issuance of the license would cause the ratio to exceed one license per 3,500 individuals. This does not apply (1) to the transfer or renewal of a license issued by July 1, 2025; (2) in the sixth tax assessment district; or (3) to an application for an on-site consumption permit by an applicant that holds a State-issued Class 5 Brewery License. Additionally, the board may not approve the transfer of a Class A (off-sale) or Class D (off-sale) license to a location outside of the assessment district in which the license was located on July 1, 2025. If the license did not exist on July 1, 2025, it may not be transferred to a location outside of the assessment district in which the license was initially issued.

Local Revenues: Anne Arundel County advises that the bill would allow them to issue three licenses that were approved by the board before July 1, 2025. The issuance of those three licenses would generate approximately $5,160 annually in license fees. Thus, Anne Arundel County revenues increase by $5,160 annually beginning in fiscal 2027.

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 County; Department of Legislative Services

Fiscal Note History: First Reader - February 10, 2026
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