

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 788

(Senator Ferguson)

Education, Health, and Environmental Affairs

Rules and Executive Nominations

Baltimore City - Alcoholic Beverages - Pub Crawl Promoter's Permits

This bill establishes a pub crawl promoter's permit in Baltimore City that authorizes individuals, for-profit organizations, and nonprofit organizations to publicize, sell tickets for, organize, operate, produce, or stage a pub crawl. The application fee is \$50, the permit fee is \$120, and all participating licensees must pay a \$100 participation fee. The Baltimore City Board of License Commissioners may adopt regulations establishing the requirements for conducting a pub crawl, including public notice requirements at the premises of participating license holders.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Potential significant increase in Baltimore City expenditures for monitoring and enforcement activity under the bill. Minimal increase in permit and participation fee revenues.

Small Business Effect: Potentially meaningful. Pub crawls could increase sales volume and revenues depending on the level of participation. The penalty provisions could also have a negative impact on businesses that engage in unlicensed pub crawl activity.

Analysis

Bill Summary: A "pub crawl" means an event during which an organized group of at least three alcoholic beverages license holders with premises within walking distance of each

other participates in a coordinated promotion to sell or provide alcoholic beverages during a specified time period, and at least 75 individuals are reasonably expected to participate.

Permit Process: A pub crawl promoter or a participating license holder on behalf of a promoter must obtain the permit before organizing a pub crawl. Each license holder participating in a pub crawl must pay a \$100 participation fee for a pub crawl promoter's permit to the Baltimore City Board of License Commissioners within 42 days of a pub crawl. Applicants must obtain and provide to the board a special event permit from the Baltimore City Department of Transportation. A completed application must be:

- signed and dated by each participating license holder;
- list each of the premises on which the pub crawl will be held; and
- include any other document the board requires.

Applications may not be altered within 30 days of a scheduled pub crawl, and the board must grant or deny a permit or request more information from an applicant within 14 days of receiving an application.

Fee Reduction for Nonprofits: The bill authorizes the board to reduce the permit fee by up to 50% if the applicant shows that the proceeds of the pub crawl after administrative expenses will be used to benefit a nonprofit organization organized under § 501(c)(3) of the U.S. tax code.

Violations: A person who publicizes, organizes, operates, produces, facilitates, sells tickets for, or stages a pub crawl who has knowledge or reason to know that a pub crawl promoter's permit has not been obtained is subject to a fine of not less than \$1,000 and not more than \$3,000 and/or a license suspension. The board may not grant a promoter's permit for at least one year to any license holder in violation of the permit requirement.

Current Law: There are no provisions in State law regarding pub crawls. Local boards of license commissioners are authorized to issue special alcoholic beverages licenses for specified periods; the Comptroller is authorized to issue statewide licenses. The board may issue a special festival license for participation in a beer festival to be held on Class B retail licensed premises or on nonlicensed premises located in Baltimore City. The license fee is \$50 per day.

Local Fiscal Effect: Baltimore City cannot estimate the number of licensees that would apply for pub crawl promoter permits, but assuming that 20 permits will be issued in fiscal 2017, fee revenue would increase by \$9,400, taking into account each permit having three licensee participants. The operational impact of the bill on the board's enforcement activity would depend on the number of licensees applying for the permit; a large number of permit applicants and participants could have a significant impact on board expenditures.

Additional Information

Prior Introductions: None.

Cross File: HB 1068 (Delegate Hammen, *et al.*) - Economic Matters.

Information Source(s): Baltimore City, Department of Legislative Services

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