

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 840
Economic Matters

(Howard County Delegation)
Education, Health, and Environmental Affairs

Howard County Alcoholic Beverages Act of 2022
Ho. Co. 13-22

This bill establishes a consumption only shopping mall plaza license in Howard County that authorizes the holder to allow the consumption of beer, wine, and liquor in a designated outdoor plaza located on the premises of a shopping mall if the beer, wine, or liquor is purchased at a specified restaurant located within the mall. The license holder may allow the consumption of beer, wine, and liquor in the designated outdoor plaza on Monday through Sunday from 11 a.m. to 11 p.m. The annual license fee is \$4,000. The bill also establishes a shopping mall plaza special event permit, which authorizes participating restaurants to operate additional bars or service counters for the sale and service of food and alcoholic beverages in a designated outdoor plaza during a special event. The permit fee is \$500. The bill also requires that the Howard County Board of License Commissioners or the Hearing Board give particular consideration to the avoidance of the overconcentration of licenses in neighborhoods, particularly neighborhoods of poverty before issuing a license. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: None.

Local Effect: Howard County revenues increase, beginning in FY 2023, to the extent consumption only shopping mall plaza licenses and special event permits are issued under the bill. Howard County can handle enforcement activities and consider the avoidance of the overconcentration of licenses in specified neighborhoods with existing resources.

Small Business Effect: Minimal overall, but potential meaningful for any small business restaurants located in a shopping mall that obtain a consumption only shopping mall plaza license or special event permit.

Analysis

Bill Summary:

Consumption Only Shopping Mall Plaza License

Shopping mall means a combination of commercial, professional, or retail establishments that are open to the general public for business purposes, are under common ownership or control, share common parking facilities, and encompass at least 60 acres. To receive a consumption only shopping mall plaza license, the mall must include at least one restaurant for which a Class B license has been issued and contain a designated outdoor plaza for the consumption of alcoholic beverages. Any alcoholic beverages consumed must be purchased at a restaurant that holds a Class B license, is located in the shopping mall contiguous to the outdoor plaza, and uses containers branded with an identifying mark of the seller. As part of the license application, an owner of a shopping mall must include a description of the designated outdoor area, a list of the license holders whose alcoholic beverages may be consumed in the designated outdoor area, and a security plan approved by the Howard County Police Department.

Shopping Mall Plaza Special Event Permit

The board may issue the shopping mall plaza special event permit only to the holder of a consumption only shopping mall plaza license.

Overconcentration of Licenses

In determining whether to approve an application for any new Class A license, the Hearing Board must include in its written decision findings related to the consideration of the avoidance of the overconcentration of licenses in neighborhoods, particularly neighborhoods of poverty.

Particular consideration to the avoidance of the overconcentration of licenses requirements in the bill must be construed to apply only prospectively and may not be applied or interpreted to have any effect on the issuance or renewal of a license before the effective date of the bill.

Current Law:

In Howard County, a Class B beer license authorizes the holder to sell beer at retail at a hotel or restaurant at the place described in the license for on- and off-premises consumption. The annual license fee is \$150. A Class B beer and light wine license authorizes the holder, which must be a hotel or restaurant, to sell beer and light wine at the

place described in the license for on- and off-premises consumption. The annual license fee is \$175.

The board may issue a Class B beer, wine, and liquor license to the owner of a hotel that is at least three stories tall that was constructed for hotel purposes, has an investment of at least \$500,000, and contains a dining room with facilities for preparing and serving regular meals for at least 125 individuals at one seating. The license authorizes the license holder to sell beer, wine, and liquor at retail at a hotel or restaurant at the place described in the license for on-premises consumption. The holder of a Class B beer, wine, and liquor license in Howard County may also sell beer, wine, and liquor in sealed containers for off-premises consumption only to a person who has purchased prepared food from the premises. The annual license fee for a Class B beer, wine, and liquor license is \$1,000.

Local Effect: Howard County revenues increase by \$4,000 for each consumption only shopping mall plaza license and by \$500 for each shopping mall plaza special event permit issued under the bill, beginning in fiscal 2023. Howard County can handle enforcement activities, and the Howard County Police Department can approve security plans for permits with existing resources.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Howard County; Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2022
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