

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 757

(Senator Hayes)

Education, Health, and Environmental Affairs

Economic Matters

Baltimore City - Alcoholic Beverages - 40th Alcoholic Beverages District

This emergency bill authorizes the Baltimore City Board of License Commissioners to issue a public market license in the 40th alcoholic beverages district, as specified. The bill also authorizes the board to issue two Class B-D-7 licenses in the 40th alcoholic beverages district, as specified. In addition, the bill alters specified geographical areas in the 40th alcoholic beverages district where there is a general prohibition against selling alcoholic beverages before 10:00 a.m. or after 10:00 p.m.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City revenues increase by at least an estimated \$3,840 in FY 2023 and \$2,740 annually thereafter, as discussed below. Baltimore City operations and expenditures are not materially affected.

Small Business Effect: Minimal overall, but potential meaningful for a license holder whose hours of sale are restricted under the bill or who obtains a license as specified.

Analysis

Bill Summary:

Public Market License

The bill authorizes the board to issue a public market license in the 40th alcoholic beverages district, in an area bounded by North Paca Street, West Saratoga Street, North Eutaw Street, and West Fayette Street.

Class B-D-7 licenses

The bill authorizes the board to issue a Class B-D-7 license in the 700 block of Washington Boulevard if (1) average daily receipts from the sale of food are at least 65% of the applicant's total receipts; (2) the applicant executes a memorandum of understanding with a community association; (3) the applicant does not create a separate package goods department; (4) alcoholic beverages are served to patrons seated at tables; and (5) alcoholic beverages are served only with meals to patrons provided with outdoor table service.

The bill additionally authorizes the board to issue a Class B-D-7 license in the 300 block of North Charles Street to an establishment that has a minimum capital investment, not including the cost of land and buildings, of \$50,000 for the establishment's facilities.

Restrictions on Hours of Sale

The bill removes a specified geographical area in the 40th alcoholic beverages district from being covered by a general prohibition against selling alcoholic beverages before 10:00 a.m. or after 10:00 p.m.

The bill prohibits the sale of alcoholic beverages before 10:00 a.m. or after 10:00 p.m. within the area of West North Avenue between the 1300 block of West North Avenue and the 3200 block of West North Avenue, inclusive, and within 250 yards in any direction of that area.

Current Law:

Public Market License

The board may issue a public market license to an operator of an enclosed public market that (1) has a minimum capital investment of \$5,000,000 and (2) is located in a specified area bounded by Charles Street, East Cross Street, and Light Street in ward 23, precinct 1 of the 46th alcoholic beverages district. The license authorizes the licensee to sell, for on- or off-premises consumption, beer, wine, and liquor, as specified. Monthly receipts from the sale of nonalcoholic beverage items, excluding items provided as part of an off-premises catering service, must be at least 65% of total monthly receipts of the market. The annual license fee is \$7,500 or, if the applicant obtains and extinguishes a specified license issued for use in ward 23, precinct 1 of the 46th alcoholic beverages district, \$3,500.

A licensee may designate vendors within the public market to sell alcoholic beverages, as specified, in leasable market space covering up to 20% of the total square footage of floor space of the licensed premises. An individual vendor may sell alcoholic beverages in an area covering up to 1,000 square feet of floor space. The licensee must submit to the board

the same information about each vendor that the board requires of an applicant for a license, and the board must apply to the Central Repository for a State and national criminal history records check for each vendor authorized to sell alcoholic beverages. A vendor authorized to sell alcoholic beverages or a designated employee must be certified by an approved alcohol awareness program and present when alcoholic beverages are consumed.

A licensee may also designate a vendor to sell alcoholic beverages, as specified, for on-premises consumption at a restaurant in a premises formerly occupied by an establishment for which a Class D (7-day) BW license was issued. The restaurant must have average daily receipts from the sale of food that are at least 65% of the total daily receipts of the restaurant. A vendor designated for the restaurant is exempt from a specified square-footage limitation applicable to the sale of alcoholic beverages by individual vendors in a licensed public market, and the premises of the restaurant do not count toward a specified limit on the total square footage of floor space in which alcoholic beverages may be sold in the public market. The privilege to sell alcoholic beverages at the restaurant may not be transferred to another location.

The hours of sale for on-premises consumption generally authorized under the public market license are:

- from 11:30 a.m. to 10:00 p.m. Monday through Thursday;
- from 11:30 a.m. to 11:30 p.m. on Friday;
- from 9:00 a.m. to 11:30 p.m. on Saturday; and
- from 9:00 a.m. to 9:00 p.m. on Sunday.

Class B-D-7 Licenses

The board may issue a Class B-D-7 license if it determines, upon consideration of the number of beer, wine, and liquor outlets in the affected area and the outlets' days of sale, that the license is reasonably necessary for public convenience. A Class B-D-7 license authorizes the licensee to sell beer, wine, and liquor for on- and off-premises consumption. With specified exceptions, a Class B-D-7 licensee may generally sell beer, wine, and liquor from 6:00 a.m. to 2:00 a.m. the following day. The annual license fee is \$1,320.

Restrictions on Hours of Sale

For a license holder in specified geographical areas in the 40th alcoholic beverages district, the hours of sale for alcoholic beverages may not begin before 10:00 a.m. or end after 10:00 p.m. This restriction does not apply to (1) a Class B beer and light wine (restaurant) license; (2) a Class B BWL (restaurant) license, as specified; (3) a Class B-BWL (H-M)

license; (4) a Class C beer and wine license; (5) a Class C BWL license; (6) an arena license; or (7) a marketplace license.

Local Revenues: The bill authorizes the board to issue two Class B-D-7 licenses within the 40th alcoholic beverages district. Assuming that both licenses are issued in fiscal 2023, Baltimore City revenues increase by \$3,840 in fiscal 2023 and \$2,740 annually thereafter. Revenues may increase earlier to the extent the licenses are issued prior to fiscal 2023. This estimate accounts for annual license fees of \$1,320 for each Class B-D-7 license, as well as a \$600 application fee and \$50 renewal fee for each license. Assuming the board also issues a public market license in the 40th alcoholic beverages district as authorized under the bill, Baltimore City revenues further increase by as much as \$7,500 each year from annual license fees, along with application and renewal fees.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 1221 (Delegate Amprey) - Economic Matters.

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

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