

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 571
Finance

(Anne Arundel County Senators)

Economic Matters

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

This bill limits the issuance of Class A (off-sale) and Class D (off-sale) licenses in certain assessment districts of Anne Arundel County, as specified. **The bill takes effect July 1, 2025, and terminates December 31, 2028.**

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County revenues are not affected, as discussed below. Anne Arundel County expenditures are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: “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.

If a business applies for a Class A (off-sale) or Class D (off-sale) license, the Anne Arundel County Board of License Commissioners may not issue the license if the business 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.

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.

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.

Local Fiscal Effect: Anne Arundel County is divided into eight assessment districts; however, the bill does not apply to the sixth assessment district. The board advises all but two of the remaining seven assessment districts (District 2 and District 4) currently have more than 1 license per 3,500 residents. District 2 is currently under the bill's proposed limit by 1 license, and District 4 is under the limit by 10 licenses. Thus, the issuance of *new* Class A (off-sale) and Class D (off-sale) licenses in five county assessment districts would be prohibited under the bill until there is sufficient population growth to support additional licenses. However, since the bill does not apply to licenses that exist in an assessment district as of July 1, 2025, the license fee revenues the county receives from existing license holders would not be affected by the bill.

Additional Information

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

Designated Cross File: HB 99 (Delegate Rogers) - Economic Matters.

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

Fiscal Note History: First Reader - February 13, 2025
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