

**SB 0571\_ BOARD OF LICENSE COMMISSIONERS EOR ANNE AR**

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Position: FWA



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## BOARD OF LICENSE COMMISSIONERS FOR ANNE ARUNDEL COUNTY

### Board of License Commissioners Position: Anne Arundel County - Class A (Off-Sale) and Class D (Off-Sale) Licenses – Population Ratio Quota – SB 0571

*AACLBA proposes legislation to enact a population ratio quota, or “cap”, on the number of off-premises sales Class A **and** D licenses in Anne Arundel County. This would represent an historic and significant shift in how these license classes are administered within the county.*

#### The Board of License Commissioners’ position:

While the Board would not oppose a quota on Class A licenses, it *recommends against any quota that combines Class A and Class D licenses*, which would unfairly limit business competition and potential influx of new business in Anne Arundel County. Therefore, the Board must stand in opposition to this proposed legislation.

#### Why is the Board opposed to the quota as proposed?

These two unique and distinct license classes were originally created separately and are unrelated. ***Grouping them together is creative math designed to unfairly shut down business competition in all but one voting district in the county.*** (It is worth noting that, in exercising its discretion provided to it under the code, the Board has denied 3 applications for new Class A licenses in the past two years.)

Other than suggesting that a quota would be more predictable for licensees and the community, the AACLBA provided few compelling facts or arguments demonstrating a community desire or need, or that address the Board’s concerns regarding unintended consequences. Among those concerns and other observations, the Board fears that such a quota which includes Class D licenses could lead to less competition, higher prices, conflict with other sections of the code, would serve to suppress retail entrepreneurship in Anne Arundel County, and would lead to the creation of a lucrative and unregulated secondary market for liquor licenses in Anne Arundel County.

“Predictability” is not a good enough line of reasoning to upend decades of established license class precedent without more thoughtful and thorough study and compelling evidence that such a change is needed by anyone other than the handful of licensees who are seeking it for their own benefit. The Board is unaware of any party (e.g., members of the community) other than the AACLBA, that feel a cap on these license types is necessary or of benefit to them.

**Board's Specific Suggestions to Improve the Bill:**

The Board suggests an amendment that separates these two distinct and unique license classes, in this case a Class A (Package Goods/Liquor Store) with a Class D (Tavern). Class D Taverns should not be lumped in with Class A Package Goods stores for the purposes of driving down competition in the county. **Please see the attached chart which offers further clarity on the confusing and unnecessary inclusion of Class D licenses under the proposed quota.**

**Scenario A (The Board's preferred Scenario)**

1. Limit the quota to only Class A licensees;
2. on a moving forward basis, any new Class D license shall be limited to not more than 25% retail floor space and;
3. the quota expires three and one-half years after implementation in order to re-assess.

**Scenario B (Includes Class D licenses in the quota, which the Board opposes):**

Lower the population threshold to 1 license allowed per 3,000 people (this would allow District 2 (Annapolis Neck/Crownsville) and District 2 (Linthicum/Brooklyn Park) additional licenses under the quota in addition to District 4 (Fort Meade/Odenton).

**Position Summary:**

The Board is not opposed to a quota limited to Class A licenses that does not include a quota on Class D licenses. However, combining both Class A licenses and Class D licenses in any sort of quota is a bad idea for the citizens of Anne Arundel County without further research and compelling supporting evidence, of which there is currently none. The AACLBA proposal is a solution in search of a non-existent problem, with the sole intent to limit competition while increasing the value of existing liquor licenses in the county. Such a tectonic shift in state and local law should require a more solid foundation of reasoning and should only move forward, if at all, with careful study, community consideration and involvement. **Again, we recommend reviewing the attached chart which offers further clarity on the inclusion of Class D licenses under the proposed quota.**

In conclusion, respectfully, the Board recommends significant changes to this legislation prior to implementation.

Thank you and we hope this input is helpful.



DIST#	POPULATION	EXISTING A&D's	Per 4,000	Per 3,750	Per 3,500	Per 3,250	Per 3,000	
1	32,482	17	= 8	9	9	10	11	
2	79,109	22	= 20	21	23	24	26	
3	209,138	70	= 52	56	60	64	70	NUMBER OF
4	149,132	33	= 37	40	43	46	50	LICENSES PER
5	65,778	21	= 16	18	19	20	22	3,750 ALLOWED
7	10,758	10	= 3	3	3	3	4	
8	9,928	6	= 2	3	3	3	3	

**Note:** ONLY 1 ASSESTMENT DIST HAS ANY ROOM FOR GROWTH

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2	79,109	22	= 20	21	23	24	26	
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7	10,758	10	= 3	3	3	3	4	
8	9,928	6	= 2	3	3	3	3	

**Note!** ONLY 2 ASSESTMENT DIST. HAS ANY ROOM FOR GROWTH



DIST #	POPULATION	EXISTING A&D's	Per 4,000	Per 3,750	Per 3,500	Per 3,250	Per 3,000
1	32,482	17 =	8	9	9	10	11
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4	149,132	33 =	37	40	43	46	50
5	65,778	21 =	16	18	19	20	22
7	10,758	10 =	3	3	3	3	4
8	9,928	6 =	2	3	3	3	3

NUMBER OF  
LICENSES PER  
3,250 ALLOWED

NOTE: ONLY 2 ASSESSMENT DIST. HAVE ANY ROOM FOR GROWTH

DIST #	POPULATION	EXISTING A&D's	Per 4,000	Per 3,750	Per 3,500	Per 3,250	Per 3,000
1	32,482	17 =	8	9	9	10	11
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7	10,758	10 =	3	3	3	3	4
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APPROVED

NUMBER OF  
LICENSES PER  
3,000 ALLOWED

NOTE: ONLY 3 ASSESSMENT DIST HAVE ANY ROOM FOR GROWTH