

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 543

(Senators Brochin and Stone)

Education, Health, and Environmental Affairs

Economic Matters

**Baltimore County - Towson Commercial Revitalization District - Alcoholic
Beverages - Transfer and Conversion of Licenses**

This bill alters current provisions of law relating to the transfer of Class B or D (B,W, and L) alcoholic beverages licenses in Baltimore County for use in the Towson Commercial Revitalization District (TCRD). The bill establishes the number of licenses that may be transferred from a specified election district and converted into a Class B (B,W,L) (TCRD) license. The bill alters requirements relating to average daily receipts from the sale of food and the minimum capital investment for the licenses. The bill establishes the circumstances under which the Baltimore County Board of Liquor License Commissioners must deny an application for transfer of a Class B or Class D license and issuance of a Class B (B,W,L) (TCRD) license. The bill repeals the current termination provision relating to the period during which alcoholic beverages licenses may be transferred and converted into a Class B (B,W,L) (TCRD) license.

The bill takes effect June 1, 2009.

Fiscal Summary

State Effect: None.

Local Effect: None. The bill will not directly affect Baltimore County finances.

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law: Chapter 215 of 2006 authorized the Baltimore County Board of Liquor License Commissioners to authorize the transfer of not more than two Class B or D beer, wine, and liquor (on-sale) licenses issued on or before December 31, 2005, that were not otherwise prohibited from being transferred, from specified election districts in the county to the Towson Commercial Revitalization District as defined by the Baltimore County Council. Upon transfer, a license is converted into a Class B (B, W, L) (TCRD) license and may not be construed to exist in the election district from which it originated.

SB 543 alters the relevant election district and authorizes up to 10 licenses to be transferred from that district. The bill specifies that the licenses must have been issued on or before December 31, 2008.

Chapter 215 of 2006 also specified that the licenses must be used in conjunction with the operation of a restaurant. The restaurant operation must maintain average daily receipts from the sale of food that are at least 70% of the total daily receipts of the restaurant. An applicant for transfer of a Class B or Class D license and issuance of a Class B (B,W,L)(TCRD) license must demonstrate to the board of liquor license commissioners that the restaurant has a minimum capital investment of \$500,000.

Under SB 543, the restaurant operation must maintain average daily receipts from the sale of food that are at least 65% of the total daily receipts of the restaurant. The license may not confer an off-sale privilege. The bill specifies that the minimum capital investment that must be demonstrated excludes the cost of the land and building shell.

SB 543 requires the board of liquor license commissioners to deny an application for transfer of a Class B or Class D license and issuance of a Class B (B,W,L) (TCRD) license if within two years immediately preceding the application:

- the applicant was a holder of an on-sale license issued within the boundaries of the Towson Commercial Revitalization District or there was an on-sale license in existence for the proposed premises of the applicant; and
- the previous on-sale license was transferred to premises outside of the Towson Commercial Revitalization District.

Under current law, a Class B (B,W,L) (TCRD) license issued may not be transferred from the location of its issuance or be converted into any other class of license. SB 543 clarifies that a license issued under these provisions may not be transferred from the Towson Commercial Revitalization District.

Under current law, provisions relating to the transfer and conversion of licenses for use in the Towson Commercial Revitalization District are set to terminate December 31, 2009. SB 543 repeals that termination date.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 4, 2009
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