

SENATE BILL 606

A2

2lr1876
CF HB 460

By: **Senators West and Klausmeier**

Introduced and read first time: February 2, 2022

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 4, 2022

CHAPTER _____

1 AN ACT concerning

2 **Baltimore County – Alcoholic Beverages Licenses – Transfers**

3 FOR the purpose of authorizing the Board of License Commissioners for Baltimore County
4 to approve the transfer of a Class B or Class D license in ~~Election District 15~~ an
5 eligible transferor district existing on a certain date to another election district under
6 certain circumstances; limiting the number of license transfers that the Board may
7 authorize from ~~Election District 15~~ an eligible transferor district; requiring the
8 Board to notify the county when the Board receives an application to transfer a
9 certain license; requiring an application to transfer a certain license to contain
10 certain information; requiring the Board to deny a certain transfer under certain
11 circumstances, subject to a certain exception; authorizing the Board to deny a certain
12 transfer under certain circumstances, subject to a certain exception; repealing as
13 obsolete a transfer schedule of Class B and Class D licenses from Election District
14 15; altering requirements related to the issuance of a Class B Service Bar (SB)
15 license; and generally relating to alcoholic beverages in Baltimore County.

16 BY repealing and reenacting, without amendments,
17 Article – Alcoholic Beverages
18 Section 13–102
19 Annotated Code of Maryland
20 (2016 Volume and 2021 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – Alcoholic Beverages
23 Section 13–1604

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Annotated Code of Maryland
(2016 Volume and 2021 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Alcoholic Beverages

13–102.

This title applies only in Baltimore County.

13–1604.

(A) IN THIS SECTION, “ELIGIBLE TRANSFEROR DISTRICT” MEANS AN ELECTION DISTRICT IN WHICH THE TOTAL NUMBER OF CLASS B AND CLASS D LICENSES, EXCLUDING EXCEPTION LICENSES, IS 15% OR GREATER THAN THE TOTAL NUMBER OF CLASS B AND CLASS D LICENSES THAN ARE ALLOWED IN AN ELECTION DISTRICT BASED ON THE RULE OF THE BOARD THAT LIMITS THE TOTAL NUMBER OF LICENSES AVAILABLE IN AN ELECTION DISTRICT BY POPULATION.

~~(a)~~ **(B)** (1) Subject to ~~paragraph (2)~~ **PARAGRAPHS (2) AND (3)** of this subsection, the Board may approve the transfer of a Class B or Class D license in existence in ~~Election District 15~~ **AN ELIGIBLE TRANSFEROR DISTRICT** on ~~[May 1, 2012]~~ **JUNE 1, 2022**, to another election district if:

(i) the approval occurs anytime from ~~[May 1, 2012]~~ **JUNE 1, 2022**, to ~~[April 30, 2017]~~ **MAY 31, 2025**, both inclusive; and

(ii) ~~on the date of the approval~~ **PRIOR TO THE TRANSFER**, the number of licenses in existence in the election district to which the license is to be transferred is not greater than 25% more than the number of licenses that would otherwise exist in that election district, based on the rule of the Board that limits the total number of licenses available in an election district by population.

(2) (i) The Board may not authorize the transfer of more than ~~[25]~~ **FIVE** Class B or Class D licenses in existence on ~~[May 1, 2012]~~ **JUNE 1, 2022**, ~~out of Election District 15~~ **IN TOTAL UNDER THIS SECTION.**

(ii) Not more than two licenses may be transferred under this subsection into any single election district [each year from May 1, 2012, to April 30, 2017, both inclusive].

1 **(3) (i) WHEN THE BOARD RECEIVES AN APPLICATION TO**
2 **TRANSFER A LICENSE UNDER THIS SECTION, THE BOARD SHALL NOTIFY THE**
3 **COUNTY DEPARTMENT OF WORKFORCE AND ECONOMIC DEVELOPMENT.**

4 **(ii) 1. THIS SUBPARAGRAPH APPLIES WHEN THE LICENSE**
5 **HOLDER OWNS THE PROPERTY FROM WHICH THE LICENSE IS TO BE TRANSFERRED.**

6 **2. THE APPLICATION TO TRANSFER A LICENSE SHALL**
7 **INCLUDE INFORMATION ON THE STATUS OF THE REAL PROPERTY ASSOCIATED WITH**
8 **THE LICENSE TO BE TRANSFERRED AND ANY PLANS FOR DISPOSITION AND FUTURE**
9 **USE OF THE PROPERTY AFTER THE TRANSFER OF THE LICENSE.**

10 **3. EXCEPT AS PROVIDED IN SUBPARAGRAPH (IV) OF**
11 **THIS PARAGRAPH, THE BOARD SHALL DENY A TRANSFER UNDER THIS SECTION IF IT**
12 **DETERMINES, BASED ON AN ASSESSMENT PROVIDED BY THE COUNTY DEPARTMENT**
13 **OF WORKFORCE AND ECONOMIC DEVELOPMENT, THAT:**

14 **A. THE APPLICANT HAS NOT DEMONSTRATED THAT**
15 **THERE IS AN APPROPRIATE FUTURE USE OF THE PROPERTY FROM WHICH THE**
16 **LICENSE IS TO BE TRANSFERRED AFTER THE TRANSFER; OR**

17 **B. THE TRANSFER WILL RESULT IN SIGNIFICANT**
18 **NEGATIVE ECONOMIC IMPACT TO THE COMMUNITY THAT SURROUNDS THE**
19 **PROPERTY FROM WHICH THE LICENSE IS TO BE TRANSFERRED.**

20 **(iii) 1. THIS SUBPARAGRAPH APPLIES WHEN THE LICENSE**
21 **HOLDER HAS NO OWNERSHIP IN THE PROPERTY FROM WHICH THE LICENSE IS TO BE**
22 **TRANSFERRED.**

23 **2. THE COUNTY DEPARTMENT OF WORKFORCE AND**
24 **ECONOMIC DEVELOPMENT MAY SUBMIT A LETTER TO THE BOARD REGARDING THE**
25 **ECONOMIC IMPACT THE TRANSFER OF THE LICENSE WILL HAVE ON THE COMMUNITY**
26 **THAT SURROUNDS THE PROPERTY FROM WHICH THE LICENSE IS TO BE**
27 **TRANSFERRED.**

28 **3. THE BOARD MAY DENY A TRANSFER UNDER THIS**
29 **SECTION BASED ON THE LETTER RECEIVED IN ACCORDANCE WITH**
30 **SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, UNLESS THE BOARD FINDS THAT**
31 **THE APPLICANT HAS UNDERTAKEN A GOOD FAITH EFFORT TO FACILITATE A FUTURE**
32 **USE OF THE PROPERTY BY ADVISING THE PROPERTY OWNER OF THE INTENTION TO**
33 **TRANSFER THE LICENSE TO ANOTHER LOCATION.**

34 **4. THE APPLICANT MAY SUBMIT INFORMATION TO THE**
35 **BOARD IN SUPPORT OF THE TRANSFER OF THE LICENSE.**

(IV) THE BOARD MAY WAIVE THE REQUIREMENT UNDER SUBPARAGRAPH (II)3 OF THIS PARAGRAPH IF, WITH THE CONCURRENCE OF THE COUNTY DEPARTMENT OF WORKFORCE AND ECONOMIC DEVELOPMENT, THE BOARD FINDS THAT THE LICENSE HOLDER HAS UNDERTAKEN GOOD FAITH EFFORTS TO FACILITATE A FUTURE USE OF THE PROPERTY AND MITIGATE ANY NEGATIVE ECONOMIC IMPACTS TO THE SURROUNDING COMMUNITY.

[(b) (1) In accordance with this subsection, the Board shall:

(i) approve the transfer of Class B or Class D licenses from Election District 15 to any other election district in the county; or

(ii) issue new Class B Service Bar (SB) beer and wine licenses under subsection (c) of this section.

(2) On or before April 30, 2013, the Board shall:

(i) approve the transfer of five Class B or Class D licenses under subsection (a) of this section or § 13–1705 or § 13–1707 of this title; or

(ii) if five licenses are not transferred, issue new Class B Service Bar (SB) licenses so that the number of licenses transferred or issued since May 1, 2012, totals five.

(3) On or before April 30, 2014, the Board shall:

(i) approve the transfer of Class B or Class D licenses under subsection (a) of this section or § 13–1705 or § 13–1707 of this title so that the cumulative number of licenses transferred or issued since May 1, 2012, totals at least 10; or

(ii) if the number of licenses transferred under item (i) of this paragraph is not sufficient, issue new Class B Service Bar (SB) licenses so that the cumulative number of licenses transferred or issued since May 1, 2012, equals 10.

(4) On or before April 30, 2015, the Board shall:

(i) approve the transfer of Class B or Class D licenses under subsection (a) of this section or § 13–1705 or § 13–1707 of this title so that the cumulative number of licenses transferred or issued since May 1, 2012, totals at least 15; or

(ii) if the number of licenses transferred under item (i) of this paragraph is not sufficient, issue new Class B Service Bar (SB) licenses so that the cumulative number of licenses transferred or issued since May 1, 2012, equals 15.

(5) On or before April 30, 2016, the Board shall:

(i) approve the transfer of Class B or Class D licenses under subsection (a) of this section or § 13–1705 or § 13–1707 of this title so that the cumulative number of licenses transferred or issued since May 1, 2012, totals at least 20; or

(ii) if the number of licenses transferred under item (i) of this paragraph is not sufficient, issue new Class B Service Bar (SB) licenses so that the cumulative number of licenses transferred or issued since May 1, 2012, equals 20.

(6) On or before April 30, 2017, the Board shall:

(i) approve the transfer of Class B or Class D licenses under subsection (a) of this section or § 13–1705 or § 13–1707 of this title so that the cumulative number of licenses issued or transferred since May 1, 2012, totals at least 25; or

(ii) if the number of licenses transferred under item (i) of this paragraph is not sufficient, issue new Class B Service Bar (SB) licenses so that the cumulative number of licenses issued or transferred since May 1, 2012, equals 25.

(7) In any year, if the Board approves the transfer of more Class B or Class D licenses than are needed to meet the minimum total required for that year, the excess will be counted against the minimum total required for the next year.

(8) The date a license is transferred under this subsection is the date of final, nonappealable approval of the application for a new license or for license transfer by the Board.

~~(c)]~~ ~~(B)~~ (C) (1) A Class B Service Bar (SB) beer and wine license may be issued only in compliance with this subsection.

(2) A Class B Service Bar (SB) license allows:

(i) sales of beer and wine for on–premises consumption; and

(ii) alcoholic beverages to be served to patrons only as part of a meal.

(3) A Class B Service Bar (SB) license may be used only in the operation of a restaurant, as defined by the Board and this article, that:

(i) has table service; and

(ii) maintains average daily receipts from the sale of food of at least 60% of the total daily receipts of the establishment.

(4) A Class B Service Bar (SB) license does not allow service to a customer who is standing or accepting delivery of purchased food or beverage items other than while seated at a table.

(5) (i) Except as provided in subparagraph (ii) of this paragraph, the proposed restaurant for which a Class B Service Bar (SB) license is sought shall comply with the zoning ordinances of the county, including allowing seating for not fewer than 30 customers and not more than 100 customers.

(ii) The license may not be used in conjunction with the viewing of televised sporting events or the use of live bands, disc jockeys, karaoke, or any other form of live entertainment.

(6) A Class B or D license transferred under subsection (a) of this section or a Class B Service Bar (SB) license issued under this subsection may not thereafter be transferred from the licensed premises or converted to another class of license.

[(7) Not more than one Class B Service Bar (SB) license may be issued in any one election district per year.]

(8) A Class B Service Bar (SB) license may not be issued for use on premises or a location for which any on-sale license has been issued within 2 years before the application for the Class B Service Bar (SB) license is filed.

(9) A person may not have a direct or indirect interest as defined in § 13-1606 of this subtitle in more than one Class B Service Bar (SB) license.]

[(d)] (e) The annual fee for a Class B Service Bar (SB) beer and wine license is \$5,000.

[(e)] (d) (1) When a license is transferred from ~~Election District 15~~ AN ELIGIBLE TRANSFEROR DISTRICT to another election district under this section, the license does not continue to exist in ~~Election District 15~~ THE ELIGIBLE TRANSFEROR DISTRICT FROM WHICH IT WAS TRANSFERRED.

(2) Subject to the 25% allowance authorized in subsection (a)(1)(ii) of this section, the Board shall consider a license transferred under this section to be a regular license and not an exception license for determining the total number of licenses available in an election district based on the rule of the Board.

[(f)] (e) (1) The Board:

(i) shall convert a Class D license that is transferred from ~~Election District 15~~ AN ELIGIBLE TRANSFEROR DISTRICT to any other election district to a Class B license; and

(ii) may not thereafter transfer the Class B license from the licensed premises or convert the license to another class of license.

1 (2) The Board may not transfer from a licensed premises or convert a
2 license to another class of license:

3 (i) a new license issued by the Board based on an increase in
4 population under the rule of the Board limiting the total number of licenses available by
5 population; or

6 (ii) a license that has been revoked and reissued by the Board.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2022.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.