

SENATE BILL 584

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CF HB 637

By: **Senator Ferguson**

Introduced and read first time: February 4, 2019

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 15, 2019

CHAPTER _____

1 AN ACT concerning

2 **Baltimore City – Alcoholic Beverages – Licenses**

3 FOR the purpose of authorizing a certain transferee of a Class B–D–7 license in a certain
4 area of the 46th legislative district in Baltimore City to apply to the Board of License
5 Commissioners to exchange the license for a Class A–7 license under certain
6 circumstances; establishing an Inner Harbor Park license; authorizing the Board to
7 issue a certain number of licenses to a nonprofit organization that is operated for a
8 certain purpose; authorizing the licensed premises to be located in certain areas;
9 providing that the license authorizes the license holder to sell beer, wine, and liquor
10 for on–premises consumption at certain times; specifying an annual license fee and
11 certain other fees for certain privileges; altering the capital investment requirement
12 for a public market license; authorizing the holder of a public market license to
13 designate a vendor to sell certain alcoholic beverages for on–premises consumption
14 at a restaurant in a certain premises; requiring that the restaurant have average
15 daily receipts from the sale of food that are at least a certain amount of the total
16 daily receipts of the restaurant; authorizing the vendor to sell alcoholic beverages in
17 an area exceeding a certain amount of square feet; specifying the hours and days of
18 sale; prohibiting the privilege to sell alcoholic beverages at the restaurant from being
19 transferred to another location; specifying that the premises of the restaurant does
20 not count toward a certain floor space limit; altering certain license fees; authorizing
21 the Board to issue a Class B beer, wine, and liquor license for a restaurant in a
22 certain location under certain circumstances; prohibiting the Board from issuing
23 more than a certain number of Class B–HM (hotel–motel) licenses in a certain
24 location; ~~making a technical change;~~ providing certain exceptions from prohibitions
25 against certain transactions involving a certain distillery and a certain retail dealer;

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.



1 making technical and conforming changes; providing for the termination of certain
2 provisions of this Act; and generally relating to alcoholic beverages licenses in
3 Baltimore City.

4 BY renumbering
5 Article – Alcoholic Beverages
6 Section 12–1001.2
7 to be Section 12–1001.3
8 Annotated Code of Maryland
9 (2016 Volume and 2018 Supplement)

10 BY repealing and reenacting, without amendments,
11 Article – Alcoholic Beverages
12 Section 12–102
13 Annotated Code of Maryland
14 (2016 Volume and 2018 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Alcoholic Beverages
17 Section 12–404, 12–902.1, 12–1002.1, and 12–1604
18 Annotated Code of Maryland
19 (2016 Volume and 2018 Supplement)

20 BY adding to
21 Article – Alcoholic Beverages
22 Section 12–1001.2
23 Annotated Code of Maryland
24 (2016 Volume and 2018 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
26 That Section(s) 12–1001.2 of Article – Alcoholic Beverages of the Annotated Code of
27 Maryland be renumbered to be Section(s) 12–1001.3.

28 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
29 as follows:

30 **Article – Alcoholic Beverages**

31 12–102.

32 This title applies only in Baltimore City.

33 12–902.1.

34 (a) There is a Class A–7 beer, wine, and liquor license.

1 (b) The license authorizes the license holder to sell beer, wine, and liquor at retail
2 at the place described in the license, for off-premises consumption.

3 (c) (1) Subject to paragraphs (2) [and (3)] **THROUGH (4)** of this subsection, a
4 license holder who holds a valid Class B-D-7 beer, wine, and liquor license issued on or
5 before July 1, 2018, may apply to the Board to exchange the license for a Class A-7 license
6 if the license holder first obtains approval by resolution of the Baltimore City Council.

7 (2) The Board may not issue a Class A-7 license after July 1, 2020.

8 (3) In the 46th legislative district, a Class B-D-7 license may be exchanged
9 for a Class A-7 license [only if the Class B-D-7 license was issued for an establishment
10 operating in a Planned Use Development].

11 **(4) IN THE 46TH LEGISLATIVE DISTRICT, THE TRANSFEREE OF A**
12 **CLASS B-D-7 LICENSE THAT IS SUCCESSFULLY TRANSFERRED FROM THE 3600**
13 **BLOCK OF FLEET STREET TO THE 5600 BLOCK OF EASTERN AVENUE MAY APPLY TO**
14 **THE BOARD TO EXCHANGE THE LICENSE FOR A CLASS A-7 LICENSE FOR USE AT THE**
15 **EASTERN AVENUE LOCATION ON OR BEFORE JULY 1, 2021.**

16 (d) A holder of a Class A-7 license may sell beer, wine, and liquor on Monday
17 through Sunday from 9 a.m. to 10 p.m.

18 (e) The annual license fee is \$1,500.

19 **12-1001.2.**

20 **(A) THERE IS AN INNER HARBOR PARK LICENSE.**

21 **(B) (1) THE BOARD MAY ISSUE NOT MORE THAN TWO LICENSES FOR USE**
22 **BY A NONPROFIT ORGANIZATION THAT IS OPERATED TO PROMOTE AND CARE FOR**
23 **THE INNER HARBOR WATERFRONT.**

24 **(2) THE LICENSED PREMISES MAY BE LOCATED IN RASH FIELD AND**
25 **IN WEST SHORE PARK.**

26 **(C) THE LICENSE AUTHORIZES THE LICENSE HOLDER TO SELL BEER, WINE,**
27 **AND LIQUOR FOR ON-PREMISES CONSUMPTION MONDAY THROUGH SUNDAY, FROM**
28 **6 A.M. TO ~~2 A.M.~~ 12 MIDNIGHT THE FOLLOWING DAY.**

29 **(D) (1) THE ANNUAL LICENSE FEE IS \$1,320.**

30 **(2) A LICENSE HOLDER SHALL PAY, IN ADDITION TO THE ANNUAL**
31 **LICENSE FEE:**

1 (I) \$500, IF THE LICENSE HOLDER PROVIDES LIVE
2 ENTERTAINMENT; AND

3 (II) \$200, IF THE LICENSE HOLDER PROVIDES OUTDOOR TABLE
4 SERVICE.

5 12-1002.1.

6 (a) There is a public market license.

7 (b) The Board may issue the license only to an operator of an enclosed public
8 market that:

9 (1) has a capital investment of at least [\$3,000,000] \$5,000,000; and

10 (2) is located in an area surrounded by Charles Street on the west, East
11 Cross Street on the north, Light Street on the east, and East Cross Street on the south, in
12 ward 23, precinct 1 of the 46th alcoholic beverages district.

13 (c) [The premises for which the public market license is issued shall be separate
14 from the premises for which a Class D (7-day) beer and wine license has been issued.

15 (d) Ownership of the license is transferable only to the Baltimore Public Markets
16 Corporation.

17 [(e)] (D) (1) The license authorizes the license holder to sell, for on- or
18 off-premises consumption:

19 (i) beer;

20 (ii) wine; and

21 (iii) liquor, when served as an ingredient in mixed drinks that may
22 be purchased for at least \$5 each.

23 (2) (i) Subject to subparagraph (ii) of this paragraph AND
24 SUBSECTION (E)(6) OF THIS SECTION, the license holder may designate vendors within
25 the public market to sell alcoholic beverages that are allowed under paragraph (1) of this
26 subsection in leasable market space covering not more than 20% of the total square footage
27 of floor space of the licensed premises.

28 (ii) [An] EXCEPT AS PROVIDED IN SUBSECTION (E)(3) OF THIS
29 SECTION, AN individual vendor may sell alcoholic beverages in an area covering not more
30 than 1,000 square feet of floor space.

1 (3) (i) The license holder shall submit to the Board the same
2 information about each vendor that the Board requires of an applicant for a license.

3 (ii) The Board shall apply to the Central Repository for a State and
4 national criminal history records check for each vendor authorized to sell alcoholic
5 beverages.

6 (iii) A vendor authorized to sell alcoholic beverages or an individual
7 who is designated by the vendor and employed in a supervisory capacity is required to be:

8 1. certified by an approved alcohol awareness program; and

9 2. present when alcoholic beverages are consumed.

10 (4) (i) Subject to subparagraph (ii) of this paragraph, monthly receipts
11 from the sale of nonalcoholic beverage items shall be at least 65% of the total monthly
12 receipts of the market.

13 (ii) The only nonalcoholic beverage items that may be counted in the
14 calculation required under subparagraph (i) of this paragraph are items sold in the public
15 market that are not provided as part of an off-premises catering service.

16 **(E) (1) THE LICENSE HOLDER MAY DESIGNATE A VENDOR TO SELL**
17 **ALCOHOLIC BEVERAGES ALLOWED UNDER SUBSECTION (D)(1) OF THIS SECTION**
18 **FOR ON-PREMISES CONSUMPTION AT A RESTAURANT IN THE PREMISES FORMERLY**
19 **OCCUPIED BY AN ESTABLISHMENT FOR WHICH A CLASS D (7-DAY) BEER AND WINE**
20 **LICENSE WAS ISSUED.**

21 **(2) THE RESTAURANT SHALL HAVE AVERAGE DAILY RECEIPTS FROM**
22 **THE SALE OF FOOD THAT ARE AT LEAST 65% OF THE TOTAL DAILY RECEIPTS OF THE**
23 **RESTAURANT.**

24 **(3) THE VENDOR DESIGNATED FOR THE RESTAURANT MAY SELL**
25 **ALCOHOLIC BEVERAGES IN AN AREA EXCEEDING 1,000 SQUARE FEET OF FLOOR**
26 **SPACE.**

27 **(4) THE HOURS OF SALE FOR ALCOHOLIC BEVERAGES AT THE**
28 **RESTAURANT ARE FROM 9 A.M. TO 1 A.M. THE FOLLOWING DAY, MONDAY THROUGH**
29 **SUNDAY.**

30 **(5) THE PRIVILEGE TO SELL ALCOHOLIC BEVERAGES AT THE**
31 **RESTAURANT MAY NOT BE TRANSFERRED TO ANOTHER LOCATION.**

32 **(6) THE PREMISES OF THE RESTAURANT DO NOT COUNT TOWARD THE**
33 **LIMIT ON THE TOTAL SQUARE FOOTAGE OF FLOOR SPACE IN WHICH ALCOHOLIC**

1 BEVERAGES MAY BE SOLD IN THE PUBLIC MARKET UNDER SUBSECTION (D)(2)(I) OF
 2 THIS SECTION.

3 (f) A license holder or vendor may not:

4 (1) participate in or publicize, in or outside the public market, a pub crawl
 5 authorized under § 12-1101.1 of this title; or

6 (2) except for an event closed to the public, including a rehearsal dinner,
 7 wedding reception, corporate function, or retirement party, allow an open bar to be operated
 8 by a vendor.

9 (g) [The] EXCEPT AS PROVIDED UNDER SUBSECTION (E)(4) OF THIS
 10 SECTION, THE hours of sale of alcoholic beverages for on-premises consumption are:

11 (1) from 11:30 a.m. to 10 p.m. Monday through Thursday;

12 (2) from 11:30 a.m. to 11:30 p.m. on Friday;

13 (3) from 9 a.m. to 11:30 p.m. on Saturday; and

14 (4) from 9 a.m. to 9 p.m. on Sunday.

15 (h) The annual license fee is:

16 (1) subject to item (2) of this subsection, [~~\$6,500~~] **\$7,500**; or

17 (2) [~~\$2,500~~] **\$3,500**, if the applicant for the license obtains and
 18 extinguishes one Class A, Class B, Class D, or Class B-D-7 license issued for use in ward
 19 23, precinct 1 of the 46th alcoholic beverages district.

20 (i) The Board shall adopt regulations to carry out this section, including
 21 regulations concerning the following activities in a public market:

22 (1) the conduct of vendors;

23 (2) the conduct of license holders within the public market;

24 (3) the holding of events that are closed to the public; and

25 (4) the maintaining of a common seating area.

26 12-1604.

1 (a) This section applies only to the 46th alcoholic beverages district, which at all
2 times is coterminous with the 46th legislative district in the Legislative Districting Plan of
3 2002 as ordered by the Maryland Court of Appeals on June 21, 2002.

4 (b) Except as provided in subsections (c) and (d) of this section, the Board may not
5 issue a new license in the 46th alcoholic beverages district.

6 (c) (1) The Board may issue:

7 (i) a 1-day license; and

8 (ii) except as provided in paragraph (2) of this subsection, and
9 subject to paragraphs (3) and (4) of this subsection, a Class B beer, wine, and liquor license
10 for use by a restaurant if the average daily receipts from the sale of food are at least 51%
11 of the total daily receipts of the restaurant.

12 (2) The Board may issue a Class B beer, wine, and liquor license:

13 (i) for a restaurant in ward 26, precinct 8, ward 4, precinct 1, or
14 ward 3, precinct 3 that has:

15 1. seating for more than 150 individuals;

16 2. a minimum capital investment of \$700,000; and

17 3. subject to paragraph (3) of this subsection, average daily
18 receipts from the sale of food that are at least 65% of the total daily receipts of the
19 restaurant;

20 (ii) for a restaurant in ward 4, precinct 1, or ward 22, precinct 1, if
21 the restaurant has:

22 1. seating for more than 75 individuals;

23 2. a minimum capital investment of \$700,000;

24 3. average daily receipts from the sale of food that are at
25 least 65% of the total daily receipts of the restaurant; and

26 4. except as provided in paragraph (5) of this subsection, no
27 sales for off-premises consumption;

28 (iii) for not more than three restaurants in a residential planned unit
29 development for Silo Point as approved by the Mayor and City Council of Baltimore City in
30 Ordinance 04-697 on June 23, 2004, if each restaurant has:

31 1. a minimum capital investment of \$700,000;

1 2. seating for more than 75 individuals;

2 3. average daily receipts from the sale of food that are at
3 least 65% of the total daily receipts of the restaurant; and

4 4. except as provided in paragraph (5) of this subsection, no
5 sales for off-premises consumption;

6 (iv) for not more than three restaurants in a business planned unit
7 development in ward 24, precinct 5, if each restaurant:

8 1. has a minimum capital investment of \$700,000;

9 2. has seating for more than 75 individuals, but not more
10 than 150 individuals;

11 3. has average daily receipts from the sale of food that are at
12 least 51% of the total daily receipts of the restaurant; and

13 4. except as provided in paragraph (5) of this subsection, may
14 not sell for off-premises consumption; and

15 (v) for a restaurant in the area that is commonly known as Port
16 Covington, bounded on the north by Interstate 95, on the east by the South Locust Point
17 Terminal, and on the south and west by the Patapsco River, and that has:

18 1. seating for more than 150 individuals;

19 2. a minimum capital investment of \$700,000; and

20 3. subject to paragraph (3) of this subsection, average daily
21 receipts from the sale of food that are at least 60% of the total daily receipts of the
22 restaurant.

23 (3) When a license is renewed, the license holder shall file with the Board
24 a statement of average daily receipts and an affidavit of a licensed certified public
25 accountant that verify that the license holder has met the requirement under paragraph
26 (1)(ii) or (2)(i)3 or (v)3 of this subsection.

27 (4) (i) A license may not be issued under paragraph (1)(ii) of this
28 subsection for use in an establishment that is a fast-food-style restaurant.

29 (ii) A license issued under paragraph (1)(ii) of this subsection may
30 not be transferred from the location of its first issuance.

1 **(5) THE BOARD MAY ISSUE A CLASS B BEER, WINE, AND LIQUOR**
2 **LICENSE FOR A RESTAURANT IN WARD 21, PRECINCT 4 IN THE 1400 BLOCK OF**
3 **WARNER STREET THAT HAS:**

4 **(I) SEATING FOR MORE THAN 150 INDIVIDUALS;**

5 **(II) AVERAGE DAILY RECEIPTS FROM THE SALE OF FOOD THAT**
6 **ARE AT LEAST 40% OF THE TOTAL DAILY RECEIPTS OF THE RESTAURANT; AND**

7 **(III) NO SALES FOR OFF-PREMISES CONSUMPTION.**

8 **[(5)] (6)** A license specified under this subsection, including a license that
9 does not allow sales for off-premises consumption, may include an off-sale privilege for
10 sales of refillable containers under a refillable container license issued in accordance with
11 § 12-1102 of this title.

12 (d) (1) The Board may issue a Class D beer, wine, and liquor license to an
13 applicant who holds or has applied for a Class 9 limited distillery license.

14 (2) A Class D beer, wine, and liquor license issued under this subsection
15 may be transferred only to a holder of a Class 9 limited distillery license.

16 (e) The Board may issue:

17 (1) a Class C beer, wine, and liquor license in the 200 block of Holliday
18 Street in ward 3, precinct 3;

19 (2) a Class C beer, wine, and liquor license in the 200 block of South
20 Central Avenue in ward 3, precinct 3; and

21 (3) subject to subsection (f) of this section, a Class D beer license for the
22 area in ward 24, precinct 5 that is bounded by East Fort Avenue on the north, the CSX
23 access way on the east, East McComas Street on the south, and Whetstone Way on the
24 west.

25 (f) A Class D beer license may be transferred into the area specified under
26 subsection (e)(3) of this section if originally issued for another area.

27 (g) Notwithstanding subsection (c)(1) and (2) of this section, the Board may not
28 issue a Class B beer, wine, and liquor restaurant license in:

29 (1) the area covered by the Key Highway East Industrial Area Urban
30 Renewal Plan, as adopted by the Mayor and City Council of Baltimore City in Ordinance
31 986 on June 29, 1987;

1 (2) the area covered by the Key Highway Urban Renewal Plan, as adopted
2 by the Mayor and City Council of Baltimore City in Ordinance 622 on March 12, 1986;

3 (3) (i) ward 1, precinct 4 or 5;

4 (ii) ward 23, precinct 1; and

5 (iii) ward 24, precinct 5; and

6 (4) the area known as Pen Lucy, ward 9, precincts 1 and 2.

7 (h) (1) Except as provided in paragraphs (2) and (3) of this subsection, the
8 Board may not issue a license for:

9 (i) ward 1, precincts 4 and 5;

10 (ii) ward 23, precinct 1; or

11 (iii) ward 24, precinct 5.

12 (2) The Board may issue not more than two Class B beer, wine, and liquor
13 licenses, so that the cumulative number of licenses issued or transferred is two, into the
14 area of 829 through 919 E. Fort Avenue only if the Board:

15 (i) has executed a memorandum of understanding between the
16 community associations in Riverside and Locust Point regarding the nature of the
17 establishment; and

18 (ii) enforces the memorandum of understanding against any license
19 holder that obtains a license under this paragraph and seeks to renew or transfer the
20 license.

21 (3) (i) The Board may issue not more than a combined total of five Class
22 B beer, wine, and liquor licenses for use by establishments on the north side of the 900
23 block of East Fort Avenue and on the west side of the 1400 block of Lawrence Street.

24 (ii) A license issued for an establishment in these areas may not be
25 transferred to another establishment.

26 **(4) THE BOARD MAY ISSUE NOT MORE THAN ONE CLASS B-HM**
27 **(HOTEL-MOTEL) BEER, WINE, AND LIQUOR LICENSE TO A HOTEL IN THE 1200 BLOCK**
28 **OF EAST FORT AVENUE.**

29 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
30 as follows:

31 Article – Alcoholic Beverages

1 12-404.

2 (A) Section 2-216(b) and (d) of this article does not apply to a holder of a Class 3
3 winery license or Class 4 limited winery license who is issued a Class A2 light wine on-sale
4 and off-sale license with respect to the wine manufactured or bottled on the winery
5 premises.

6 (B) (1) THIS SUBSECTION APPLIES ONLY TO A CLASS 1 DISTILLERY AND
7 A RETAIL DEALER LOCATED ON CONTIGUOUS PREMISES IN THE AREA COMMONLY
8 KNOWN AS PORT COVINGTON.

9 (2) THE CLASS 1 DISTILLERY:

10 (I) MAY LEND A THING OF VALUE, MAKE A GIFT, OR OFFER A
11 GRATUITY TO THE RETAIL DEALER; BUT

12 (II) MAY NOT LEND MONEY TO THE RETAIL DEALER.

13 (3) THE RETAIL DEALER:

14 (I) MAY ACCEPT, RECEIVE, OR MAKE USE OF A GIFT OR AN
15 ADVERTISEMENT PROVIDED BY THE CLASS 1 DISTILLERY; BUT

16 (II) MAY NOT BECOME INDEBTED TO THE DISTILLERY EXCEPT
17 FOR THE PURCHASE OF ALCOHOLIC BEVERAGES AND ALLIED PRODUCTS
18 PURCHASED FOR RESALE.

19 (4) SECTION 2-216(D) OF THIS ARTICLE REGARDING
20 ADVERTISEMENTS DOES NOT APPLY TO THE CLASS 1 DISTILLERY AND THE
21 LICENSED RETAILER.

22 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2019. Section 3 of this Act shall remain effective for a period of 3 years and, at the
24 end of June 30, 2022, Section 3 of this Act, with no further action required by the General
25 Assembly, shall be abrogated and of no further force and effect.