

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1410
Economic Matters

(Delegate Brooks, *et al.*)

Baltimore County - Alcoholic Beverages Licenses - Expiration

This bill extends, from 180 days to one year, the period of time after which an alcoholic beverages license expires when the license holder has closed the business or stopped alcoholic beverages business operations at the premises for which the license is held in Baltimore County. The bill also specifies that the submission of a request for a hardship extension must automatically extend the life of the license for two years after the date of the closing or stopping of business operations. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: None.

Local Effect: The bill is not anticipated to materially impact Baltimore County finances or operations.

Small Business Effect: Meaningful.

Analysis

Bill Summary:

Hardship Extension

Because the request for a hardship extension must automatically extend the life of the license, the bill repeals the authority of the Baltimore County Board of License Commissioners to *grant* a hardship extension.

Generally, a hardship extension may not prolong the life of an inactive license beyond the total of (1) two years after the date of closing or stopping of alcoholic beverages business operations and (2) any time period during which the license is suspended under an application for approval of a transfer to another location or another person, or an application for a certificate of permission or a renewal license for continuation of business has been approved or is pending.

Start and Restart of the Unexpired Period

The bill clarifies that the expiration period resumes on the last to occur of (1) final action of the board denying an application for transfer or a request for a certificate of permission or a renewal license for continuation of business; (2) final judgment of the reviewing court if judicial review of the board's action on an application or request has affirmed the board's action; or (3) the dismissal of a petition for judicial review of the board's action.

Closure Because of Casualty Loss

If a licensed premises is forced to close because of a casualty loss, the board, without court approval, may extend the license for not more than three years, rather than two years, after the closing.

Current Law:

Expiration Period

A license expires 180 days after the license holder has closed the business or stopped active alcoholic beverages business operations unless (1) an application for transfer to another location or another person has been approved or is pending; (2) an application for a certificate of permission or a renewal license for continuation of business has been approved or is pending; or (3) a written request for a hardship extension is filed within the 180-day period.

Hardship Extension

Generally, the license holder or another appropriate party may make a written request to the board to extend the life of the license due to hardship. The board may grant the extension if the board finds after a hearing that existing hardship caused the closing or stopping of business operations. An extension may not prolong the life of the license beyond 360 days after the date of closing or stopping of business operations.

Start and Restart of the Unexpired Period

The period for which a license may be considered unexpired begins at the earlier of the closing of the business or stopping of alcoholic beverages business operations, and may be suspended only by filing an application or request for (1) transfer; (2) a certificate of permission or a renewal license for continuation; or (3) a written request for a hardship extension.

The expiration period resumes on the last to occur of (1) final action of the board granting or denying a request for a hardship extension; (2) final action of the board denying an application or request; (3) final judgment of the reviewing court; or (4) dismissal of a petition for judicial review of the board's action. If an application for transfer or a request for a certificate of permission or a renewal license for continuation is withdrawn, the period for automatic expiration of the license may not be suspended, and the application or request shall be considered as if it had not been filed.

Closure Because of Casualty Loss

If a licensed premises is forced to close because of a casualty loss, the board, without circuit court approval, may extend the license for not more than two years after the closing.

Background: In fiscal 2017, 781 alcoholic beverages licensees were issued for use in Baltimore County.

Small Business Effect: The bill's provisions allow a small business license holder to retain a license for a longer period of time after closing or stopping of alcoholic beverages business operations. This may result in a licensee being able to reopen a business or arrange to sell the license before the license expires.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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