

**CITY OF BALTIMORE
COUNCIL BILL 08-0031R
(Resolution)**

Introduced by: President Rawlings-Blake, Councilmembers Holton, Cole, Clarke, D'Adamo,
Henry, Branch, Spector, Middleton, Welch, Reisinger, Conaway, Young
Introduced and read first time: March 17, 2008
Assigned to: Public Safety and Health Committee

Committee Report: Favorable
Adopted: August 10, 2009

A COUNCIL RESOLUTION CONCERNING

**1 Informational Hearing - Board of Liquor Licenses Commissioners
2 for Baltimore City**

3 FOR the purpose of requesting the Chairman of the Board of Liquor Licenses Commissioners to
4 report to the City Council on the issuance of BD 7 Liquor Licenses; the legitimacy of
5 establishments claiming to be tavern operations; the legitimacy of establishments operating
6 with bottle licenses; repeat violators who consistently and knowingly sell to minors; the level
7 of cooperation between Liquor Board inspectors and law enforcement personnel; and the
8 efficacy of current alcoholic beverage statutes, zoning laws, and Board rules and regulations
9 in protecting individuals and communities from the deleterious effects of excessive alcohol
10 consumption.

11 Recitals

12 The Board of Liquor License Commissioners for Baltimore City is an agency of the State
13 responsible for regulating the sale, storage, and distribution of retail alcohol sales in the City.
14 The Board administers the statutes, laws, ordinances, and its own Rules and Regulations
15 regarding the operation of alcoholic beverage establishments in Baltimore City.

16 State law authorizes the Board to issue a number of different types of licenses governing the
17 sale and consumption of beer, wine, and liquor in Baltimore City, in venues including off-sale
18 package goods stores, restaurants, non-profit private clubs, arenas, stadiums, racing
19 establishments, multiple bar facilities, hotels, motels, and taverns. Each class specifies the hours
20 of operation, the days of the week, special holiday hours, and whether or not on-premise
21 consumption of alcoholic beverages is permitted.

22 Communities across Baltimore City have consistently voiced concerns about the number of
23 establishments that sell liquor in residential neighborhoods. The relationship between a liquor
24 establishment and the surrounding community can become acrimonious, as some residents view
25 these businesses as magnets for any manner of alcohol-fueled disturbances, and the influx of cars
26 into a residential neighborhood leads to parking problems for the people who live there.

27 In 1968, in reaction to complaints, particularly from inner city communities about the large
28 number of bars in their neighborhoods, the Board imposed a moratorium on new liquor licenses.
29 This action, along with a rule limiting the distance that a license can be transferred, had the

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter stricken by amendment.

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1 effect of dramatically reducing the number of establishments permitted to sell alcoholic
2 beverages. In 1933, 8000 licenses were issued, in 1968 there were 2,200, and today the Board
3 reports there are a relatively fewer 1,470 licensed establishments.

4 Although the number of licensed establishments has changed, the number of complaints from
5 neighborhood residents has not. The largest number of complaints concern those establishments
6 operating as Class BD 7 establishments, considered by the Board as tavern operations, a tavern
7 being defined as an establishment where alcoholic beverages are habitually sold for on-premises
8 consumption, at a bar or in a lounge area. A bar is defined as a counter, in whatever
9 configuration, at which stools and/or chairs have been placed, and a lounge is defined as an area
10 on the premises containing tables and chairs or other suitable furniture, from which alcoholic
11 beverages are habitually served for on-premise consumption.

12 In January 1990, the media widely reported community outrage that 1 in 5 bars were
13 operating an illegal package-goods store, 7 days a week. The bars, operating under a Class BD 7
14 license, were permitted to sell beer, wine, and liquor over the counter as a secondary feature of
15 the business, but were not permitted to operate a separate store for the primary purpose of selling
16 alcoholic beverages. At the time, the Board estimated that 130 of the 621 holders of BD-7
17 licenses in the City were operating illegally.

18 Neighborhood residents today are also voicing concerns regarding the abuse of Class BD-7
19 licenses. In these instances, the bars are abusing the licenses by claiming to be restaurants or
20 taverns, and they are staying open 7 days a week. In reality, these are cut-rate liquor outlets that
21 sell alcohol for off-premise consumption, have no or only token sitting space, and serve no
22 prepared food, only chips, candy, and other convenience foods. By operating under the Class
23 BD 7 license, they are able to stay open an extra 32-50 hours a week.

24 Yet other causes for concern are the issuances of bottle licenses. This license allows an
25 establishment to operate as long as it is BYOB (bring your own bottle). However, many
26 establishments apply for this license as a way to avoid applying for a liquor license. We are
27 receiving reports that once the bottle license is issued then the owners of the establishment begins
28 selling and operating like a tavern.

29 Furthermore, the sale of alcohol to minors has been an exceedingly troubling complaint.
30 Communities have identified those establishments that, almost as policy, knowingly sell to
31 minors. Many times this conduct is undeterred by fines, as it is more lucrative to sell to minors
32 than it is unprofitable to receive the fines.

33 There are also several issues relating to internal regulations that this Body would like to learn
34 more about. Specifically, when does the Board decide to take on protest of the license on its own
35 initiative? How many violations or incidents have to occur before the Board will take that kind of
36 action? Moreover, what is the Board doing about intimidation from store owners if there is any
37 community protest of the licenses? Lastly, does the Board have any procedures to “pierce the
38 veil” of those who are operating liquor licenses as fronts for those who cannot obtain or who have
39 lost their licenses?

40 *Off-Premises Liquor Stores Targeted to Poor Urban Blacks*, a study by the Johns Hopkins
41 Bloomberg School of Public Health, June 2000, found that predominately black, low-income
42 neighborhoods in Baltimore were 8 times more likely to have carry-out liquor stores than white or
43 racially integrated neighborhoods. The data revealed that an intersection of race and income

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1 status places low income communities at great risk for alcohol availability through off-premise
2 liquor stores.

3 *How Alcohol Outlets Affect Neighborhood Violence*, another study published in 2004, by the
4 Prevention Research Center, reports that a number of studies have found that in and near
5 neighborhoods where there is a high density of places that sell alcohol, there is a higher rate of
6 violence. When bars, liquor stores, and other businesses that sell alcohol are close together, more
7 assaults and other violent crimes occur.

8 The saturation of a community with liquor outlets has been shown to be an important
9 component of the social infrastructure that destabilizes communities. It is imperative that
10 government agencies with authority over land-use and/or liquor licenses help fight crime and
11 blight and improve the quality of life by controlling licenses to sell alcohol and the location and
12 proliferation of licenses.

13 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE**, That the
14 Chairman of the Board of Liquor Licenses Commissioners is requested to report to the City
15 Council on the issuance of BD 7 Liquor Licenses; the legitimacy of establishments claiming to be
16 tavern operations; the legitimacy of establishments operating with bottle licenses; repeat violators
17 who consistently and knowingly sell to minors; the level of cooperation between liquor board
18 inspectors and law enforcement personnel; and the efficacy of current alcoholic beverage statutes,
19 zoning laws, and Board rules and regulations in protecting individuals and communities from the
20 deleterious effects of excessive alcohol consumption.

21 **AND BE IT FURTHER RESOLVED**, That a copy of this Resolution be sent to the Mayor, the
22 members of the Board of Liquor Licenses Commissioners for Baltimore City, the organizations
23 listed in the Planning Department Community Association Directory, and the Mayor's Legislative
24 Liaison to the City Council.