



LEGISLATIVE SUMMARY

O-22-23

Art Establishment Beer & Wine License

This summary was prepared by the City of Annapolis Office of Law for use by members of the Annapolis City Council during consideration of the legislation.

BILL SUMMARY

Overview

O-22-23 creates a Class G "Art Establishment" beer and wine license and defines what an "Art Establishment" is based on criteria set by state law (Maryland Alcoholic Beverages Code § 10-1002).

R-38-23, the companion resolution to O-22-23, inserts the state-required \$1,000 annual liquor license fee into the Fiscal Year 2024 Fee Schedule. The amount is set by state law.

State Criteria

The State of Maryland authorizes the City of Annapolis Alcoholic Beverage Control Board to issue the license to a nonprofit organization primarily engaged in:

- (1) the display, sale, or demonstration of art by an artist or group of artists;
- (2) the instruction of participating clients in creating art; or
- (3) live performances, including musical acts or theater performances;

The Board may not give a license to an organization that displays and sells commercially prepared or mass-produced artistic products nor has a corporate purpose not dedicated to art and live performances.

O-22-23 creates the second theater-based liquor license allowed for Annapolis. The Class G license is \$1,000/year. The temporary Class C *theater club* license is \$100/year.



LEGISLATIVE SUMMARY

O-22-23

Art Establishment Beer & Wine License

Theater-based Liquor Licenses in Annapolis

Theater Clubs

In 2017, the City Council created -- via Ordinance 46-17 -- a liquor license category for non-profit performing arts groups presenting live theater performances.

The Temporary Class C License to Clubs is given to live theaters in Annapolis with fewer than 200 seats and performances during a limited number of weekends each year. They are considered "theater clubs."

NOTE: *The Maryland Hall main theater in Annapolis seats 725 and operates year-round.*

"There are, at least, four nonprofit theater groups in Annapolis who would qualify: Annapolis Shakespeare Company (approximately 100 seats); Annapolis Summer Garden Theater (approximately 108 seats); The Colonial Players (approximately 180 seats); and Compass Rose Theater (small seating area, number not estimated). It should be noted that these nonprofits also provide educational programming in addition to the public performances."

O-47-17 - Staff Report

The fee for the "Temporary Class C Alcoholic Beverage License to Theater Clubs" is set at a maximum of \$100 per year.

"An eligible theater club may obtain one-day licenses for each day of a performance for no additional cost if it has paid the maximum one-hundred-dollar annual amount."

City Code § 7.12.330(F)(5)

The criteria for Theater Clubs is found in § 7.12.330 of the City Code.



LEGISLATIVE SUMMARY

O-22-23

Art Establishment Beer & Wine License

SB 472 (ART ESTABLISHMENT LIQUOR LICENSE)

On May 3, 2023, Governor Moore signed Senate Bill 472, establishing a beer and wine license for nonprofit arts organizations in the City of Annapolis.

The law took effect July 1, 2023.

However, Annapolis art venues can get the license only after the City Council adds it to the City Code.

Md. Code, Alco. Bev. § 10-1001 **Section 10-1001 - Art establishment beer and wine license**

- (a) There is an art establishment beer and wine license.
- (b) (1) The Board may issue the license to a nonprofit organization primarily engaged in:
 - (i) the display, sale, or demonstration of art by an individual artist or a group of artists;
 - (ii) the instruction of participating clients in creating art; or
 - (iii) live performances, including musical acts or theater performances.
- (2) The Board may not issue the license to an organization that:
 - (i) displays and sells commercially prepared or mass-produced artistic products; or
 - (ii) has a corporate purpose not dedicated to the activities described under paragraph (1) of this subsection.
- (c) The license authorizes the holder to sell or serve beer and wine at retail for on-premises consumption.
- (d) The license holder may sell or serve beer and wine during the hours and days set for beer and light wine licenses under § 10-2003 of this title.
- (e) The license may not be transferred to another location. (f) The annual license fee is \$1,000.



LEGISLATIVE SUMMARY

O-22-23
Art Establishment Beer & Wine License

MD. DEPT. OF LEGISLATIVE SERVICES SB 472 FISCAL IMPACT NOTE

"City of Annapolis expenditures are not affected.

Revenues for the City of Annapolis decrease to the extent that art establishment licenses issued under the bill replace specific event licenses that are currently issued for similar events, as discussed below.

The City of Annapolis advises that during 2022, Annapolis had 138 applicants for event licenses who could possibly display art and the city received approximately \$9,950 in fees from those applicants. The city estimates that if those applicants received an art establishment license under this bill, instead of multiple event licenses, revenues would decrease accordingly."