



City of Annapolis

DEPARTMENT OF PLANNING AND ZONING

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October 11, 2023

MEMORANDUM

To: Planning Commission

From: Eric Leshinsky, Chief of Comprehensive Planning

Re: Ordinance O-22-23: Business License, Taxes and Regulation - Creation of Art Establishment Beer and Wine 3 License – For the purpose of creating a City of Annapolis beer and wine license for specific art venues as authorized by MD. Alcoholic Beverages Code § 10-1001 per House Bill 353 and Senate Bill 472, signed by Governor Wes Moore on May 3, 2023; and generally related to the 6 Alcoholic Beverages chapter of the City Code.

Attachments:

1. O-15-23 First Reader
2. R-38-23 First Reader: FY 2024 Annual Fees Schedule - Art Establishment Liquor License Fee – For the purpose of specifying the fee for the new Art Establishment liquor license
3. House Bill 352: City of Annapolis – Alcoholic Beverages – Art Establishment
4. MD. Alcoholic Beverages Code § 10-1001

SUMMARY

The purpose of this ordinance is to establish a new City of Annapolis beer and wine license for nonprofit art establishments as authorized by MD. Alcoholic Beverages Code § 10-1001 which was added following the adoption of House Bill 352 and Senate Bill 472 by the 2023 General Assembly. The ordinance creates a new definition for “art establishment” in Title 7 - BUSINESS LICENSE, TAXES AND REGULATIONS which is consistent with the definition established by the House Bill and Senate Bill, and the MD. Alcoholic Beverages Code.

Resolution R-38-23 is a companion to this ordinance and sets an annual fee for the beer and wine license at \$1000 in the FY24 Annual Fees Schedule. This fee is consistent with the House Bill and the Senate Bill, and MD. Alcoholic Beverages Code.

Staff Report to Planning Commission

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ANALYSIS

This legislation will streamline the beer and wine permit requests for events at the City's many nonprofit art establishments by creating an annual license that replaces the need for a separate permit associated with each event. The annual license could then be used for multiple events throughout the year at each art establishment. The annual license will lead to a substantial reduction in permit requests by the art establishments which in turn reduces the City's permit processing work load and results in a significant cost savings to the art establishments. The cost savings at the art establishments can then be put toward other programming expenses which help the art establishments to better fulfill their missions, benefitting local audiences, the arts community, and the City's cultural life.

The sale, consumption, and licensing for sale of alcoholic beverages in the City of Annapolis is regulated by MD. Alcoholic Beverage Code, which may be amended over time. The MD. Code was recently amended with the adoption of House Bill 353 and Senate Bill 472, which then necessitated the City to amend its code accordingly.

CODE COMPLIANCE AND RECOMMENDATION

Section 7.12.020 of the Annapolis Code of Ordinances states that "the provisions of the Alcoholic Beverages Article of the Annotated Code of Maryland, as may be amended, apply to the sale, consumption and licensing for sale of alcoholic beverages in the City."

Based on the above code compliance and the analysis herein, the staff recommends the proposed O-22-23 be APPROVED.

Report Prepared by:



Eric Leshinsky
Chief of Comprehensive Planning

1 **..Title**

2 **Business License, Taxes and Regulation - Creation of Art Establishment Beer and Wine**
3 **License** – For the purpose of creating a City of Annapolis beer and wine license for specific art
4 venues as authorized by MD. Alcoholic Beverages Code § 10-1002 per House Bill 353 and
5 Senate Bill 472, signed by Governor Wes Moore on May 3, 2023; and generally related to the
6 Alcoholic Beverages chapter of the City Code.

7 **..Body**

8 **CITY COUNCIL OF THE**
9 **City of Annapolis**

10 **Ordinance 22-23**

11 **Introduced by: Alderwoman Tierney**
12 **Co-sponsored by:**

13 **Referred to**

14 Planning Commission
15 Economic Matters Committee
16 Rules & City Government Committee
17 Alcoholic Beverage Control Board

18 **AN ORDINANCE** concerning

19 **Business License, Taxes and Regulation -**
20 **Creation of Art Establishment Beer and Wine License**

21 **For** the purpose of creating a City of Annapolis beer and wine license for specific art venues as
22 authorized by MD. Alcoholic Beverages Code § 10-1002 per House Bill 352 and Senate
23 Bill 472, signed by Governor Wes Moore on May 3, 2023; and generally related to the
24 Alcoholic Beverages chapter of the City Code.

25 **BY** repealing and reenacting with amendments the following portions of the Code of the City
26 of Annapolis, 2023 Edition

27 **7.12.010**

28 **7.12.210**

29 **BY** enacting with amendments the following portions of the Code of the City of Annapolis,
30 2023 Edition

31 **7.12.278**

32 **SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY**
33 **COUNCIL** that the Code of the City of Annapolis shall be amended to read as follows:

34 **Title 7 - BUSINESS LICENSE, TAXES AND REGULATIONS**
35 **Chapter 7.12 - Alcoholic Beverages**

1 Section 7.12.010 - Definitions

2
3 For the purposes of this chapter, the following words and phrases have the meanings
4 indicated:

5 ~~A~~1. "Alcoholic beverage" means alcohol, brandy, whiskey, rum, gin, beer, ale, porter,
6 stout, wine and cider, and in addition, any spirituous, vinous, malt or fermented
7 liquor, liquids and compounds, by whatever name called, containing one-half of one
8 percent or more of alcohol by volume, which are fit for beverage purposes.
9 "Alcoholic beverage" does not include (1) wine and cider manufactured for home
10 consumption and which are not sold for the maker or manufacturer, nor by the maker
11 or manufacturer; and (2) alcohol used exclusively for the manufacture of medicinal,
12 antiseptic or toilet preparations, flavoring extracts and other preparations unfit for
13 beverages.

14 ~~B~~2. "Art establishment":

15 a. Means a nonprofit organization primarily engaged in:

16 i. The display, sale or demonstration of art by individual artists or a group of
17 artists;

18 ii. The instruction of participating clients in creating art; or

19 iii. live performances, including musical acts or theater performances.

20 b. Does not mean:

21 i. An organization that displays and sells commercially prepared or mass-
22 produced artistic products; or

23 ii. Has a corporate purpose that is not dedicated to the activities described.

24 ~~B~~3. "Club" means an association or corporation which is organized and operated
25 exclusively for education, social, fraternal, charitable, civic, political, patriotic or
26 athletic purposes, and not for profit.

27 ~~E~~4. "Hotel" means any establishment for the accommodation of the public equipped with
28 not less than twenty bedrooms, containing not less than one bed in each room, with
29 sufficient covering for each bed, and one room with toilet and bathing facilities for
30 each seven bedrooms, and containing a restaurant as defined by this section.

31 ~~D~~5. "Refillable container" means a jug or other vessel used to transport draft beer.

32 ~~E~~6. "Restaurant" means any lunchroom, café or other establishment located in a
33 permanent building with ample space and accommodations in which hot meals
34 habitually are prepared, sold and served to the public during the hours it is open
35 regularly for business. It shall be equipped with a public dining room with sufficient
36 tables, chairs, cutlery and glassware to serve the meals prepared, and with a kitchen
37 having complete facilities and utensils for preparing and serving hot and cold meals
38 to the public. Each restaurant shall maintain a menu or card advertising the serving

Explanation:

~~Strikethrough~~ indicates matter stricken from existing law.

Underlining & black indicate copyediting or reformatting of existing law

Underlining & red indicate new matter added to code.

1 of a variety of hot meals. There shall be maintained on the premises at all times
 2 sufficient food to fill orders made from the menus. No drugstore or grocery store
 3 shall be construed to be a restaurant.

4 ~~F~~7. "Tavern" means any properly licensed premises used and operated primarily for the
 5 sale of alcoholic beverages; provided, however, that nuts, pretzels, potato chips,
 6 sausages, sandwiches, salads and other foodstuffs generally associated with taverns
 7 may be sold and consumed in taverns.

8 ~~G~~8. "Wine bar" means any properly licensed premises used and operated for the sale of
 9 wine and to a lesser extent the sale of beer; provided, however, light fare generally
 10 associated with wine bars may be sold and consumed in wine bars.

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 13 **Title 7 - BUSINESS LICENSE, TAXES AND REGULATIONS**

14 **Chapter 7.12 - Alcoholic Beverages**

15 **Section 7.12.210 - License--Types and classes.**

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 17 A. The following types and classes of alcoholic beverage licenses may be issued in the City:

- 18 1. Beer: B;
 19 2. Beer and light wine: BW;
 20 3. Beer, wine and liquor: BWL.

21 B. In addition, each alcoholic beverage license shall be of the class:

- 22 1. Package goods retail stores:

23 10. Art Establishment: Class G

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 25
 26 **Title 7 - BUSINESS LICENSE, TAXES AND REGULATIONS**

27 **Chapter 7.12 - Alcoholic Beverages**

28
 29 **7.12.278 Art Establishment**

30
 31 A. This section applies to art establishments, as defined in § 12.010 of this Title.

32 B. An Art Establishment license is a Class G license.

33 C. The license holder is authorized to sell or serve beer and wine at retail for on-premises
 34 consumption during the hours and days set for beer and light wine licenses by the City of
 35 Annapolis Alcoholic Beverage Control Board.

36 D. The license may not be transferred to another location.

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 38 **Title 21 - PLANNING AND ZONING**

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1 **Chapter 21.64 - Standards for uses subject to standards**
2 **21.64.500 Philanthropic and charitable institutions, civic nonprofit organizations, and**
3 **social and fraternal organizations.**
4

5 ~~This use does not include businesses sponsored by those institutions, except businesses~~
6 ~~accessory or incidental to and located in the same building as the institution proper.~~

7 A. This use does not include businesses sponsored by those institutions, except businesses
8 accessory or incidental to and located in the same building as the institution proper.

9 B. **Art Establishment.** Nonprofits meeting the requirements set in Maryland Code,
10 Alcoholic Beverages § 10-1001 (Art establishment beer and wine license) may serve beer
11 and wine upon approval of a license by the City of Annapolis Alcoholic Beverage
12 Control Board per Title 7 § 12.278 of the City Code.

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16 **SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE**
17 **ANNAPOLIS CITY COUNCIL** that this ordinance shall take effect upon passage.
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Explanation:

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..Title

FY 2024 Annual Fees Schedule - Art Establishment Liquor License Fee – For the purpose of specifying the fee for the new Art Establishment liquor license.

..Body

**CITY COUNCIL OF THE
City of Annapolis**

Resolution 38-23

Introduced by: Alderwoman Tierney

Referred to

Finance Committee

A RESOLUTION concerning

Fiscal Year 2024 Annual Fees Schedule - Art Establishment Beer and Wine License Fee

FOR the purpose of specifying the fee for the new Art Establishment beer and wine license.

WHEREAS, Governor Wes Moore signed into law Senate Bill 472 on May 3, 2023, authorizing the City of Annapolis to implement a new beer and wine license for specific art venues; and

WHEREAS, Maryland Alcoholic Beverages Code § 10-1002 also authorizes a \$1,000 fee for the “Art Establishment” beer and wine license; and

WHEREAS, O-22-23 implements the Art Establishment beer and wine license;

NOW THEREFORE BE IT RESOLVED BY THE ANNAPOLIS CITY COUNCIL that the Fiscal Year 2024 Fees Schedule shall include the following fee:

ALCOHOLIC BEVERAGES - Chapter 7.12 - Types and Classes of Licenses and Fees

Class G	Art Establishment: Beer and Wine	\$1,000.00
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AND BE IT FURTHER RESOLVED BY THE ANNAPOLIS CITY COUNCIL that the Fiscal Year 2024 Fees Schedule change shall take effect upon passage.

Explanation:

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Chapter 352

(House Bill 520)

AN ACT concerning

City of Annapolis – Alcoholic Beverages – Art Establishment

FOR the purpose of establishing an art establishment beer and wine license in the City of Annapolis; authorizing the Board of License Commissioners to issue the license to sell or serve beer and wine for on-premises consumption to a nonprofit organization primarily engaged in certain activities; and generally relating to alcoholic beverages in the City of Annapolis.

BY renumbering

Article – Alcoholic Beverages
Section 10–1001
to be Section 10–1002
Annotated Code of Maryland
(2016 Volume and 2022 Supplement)

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages
Section 10–102
Annotated Code of Maryland
(2016 Volume and 2022 Supplement)

BY adding to

Article – Alcoholic Beverages
Section 10–1001
Annotated Code of Maryland
(2016 Volume and 2022 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 10–1001 of Article – Alcoholic Beverages of the Annotated Code of Maryland be renumbered to be Section(s) 10–1002.

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

Article – Alcoholic Beverages

10–102.

This title applies only in the City of Annapolis.

10–1001.

(A) THERE IS AN ART ESTABLISHMENT BEER AND WINE LICENSE.

(B) (1) THE BOARD MAY ISSUE THE LICENSE TO A NONPROFIT ORGANIZATION PRIMARYLY 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 COMMERCIALY PREPARED OR MASS-PRODUCED ARTISTIC PRODUCTS; OR

(II) HAS A CORPORATE PURPOSE THAT IS 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 ~~\$205~~ \$1,000.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2023.

Approved by the Governor, May 3, 2023.

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 that is 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.

Md. Code, AB § 10-1001

Added by 2023 Md. Laws, Ch. 352,Sec. 2, eff. 7/1/2023.

Added by 2023 Md. Laws, Ch. 351,Sec. 2, eff. 7/1/2023.
