

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 194

(Senator Reilly)

Education, Health, and Environmental Affairs

Economic Matters

Anne Arundel County - Liquor Licenses - Transfer of License

This emergency bill authorizes the Anne Arundel County Board of License Commissioners to allow an approved applicant to transfer an alcoholic beverages license to another premises within one-half mile of the premises for which the license was issued within one year of final approval by the board and in accordance with existing statutory provisions and applicable regulations on transfers of licenses, if the premises for which the license was issued is (1) substantially destroyed by fire, explosion, or catastrophe; (2) taken by condemnation; (3) taken by the exercise of the power of eminent domain; or (4) no longer leased by the license holder due to the delay of a court case or other administrative process delay. The bill applies retroactively to any application for an alcoholic beverages license submitted in Anne Arundel County since January 1, 2013.

Fiscal Summary

State Effect: None.

Local Effect: The bill does not materially affect Anne Arundel County finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law/Background: Generally, a license holder, receiver, or trustee for the benefit of the creditor may transfer the license holder's place of business to some other location or transfer the license and the license holder's inventory to another person.

A transfer initiated under the above-mentioned method may be made if:

- an application for transfer has been made;
- all sales and use, amusement admission, and tax withholdings have been paid to the Comptroller;
- a bulk transfer permit has been obtain if the inventory of alcoholic beverages is to be transferred in any manner, regardless of whether consideration has been paid; and
- the local licensing board approves the new location of license holder in the same way the local licensing board approves the issuance of a license.

An applicant is permitted to apply for a transfer of location and transfer of ownership in the same application.

In Anne Arundel County, the board is prohibited from approving an application for the transfer of a license unless all obligations of the transferor pertaining to the licensed establishment have been paid or an arrangement concerning debts and obligations to the transferor's creditors has satisfactorily been made. The board is prohibited from approving an application if the board believes that the application is being used to avoid its provisions.

Despite transfer restrictions, the board may approve a transfer if, a creditor submits a claim, under affidavit, to the board before the hearing held on the transfer and the submitted claim involves an indebtedness incurred in the operation of the licensed premises.

In fiscal 2019, there were 553 alcoholic beverages licenses issued in Anne Arundel County.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 536 (Anne Arundel County Delegation) - Economic Matters.

Information Source(s): Anne Arundel County; Comptroller's Office; Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2020
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