

HOUSE BILL 527

A2

5lr1302

By: **Harford County Delegation**

Introduced and read first time: February 11, 2015

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Harford County – Alcoholic Beverages – Residency Requirements**

3 FOR the purpose of altering certain residency requirements for certain business applicants
4 for alcoholic beverages licenses in Harford County; altering a requirement that a
5 certain applicant for certain alcoholic beverages licenses own a certain percentage of
6 a certain business, subject to a certain exception; making certain stylistic and
7 conforming changes; providing for the application of this Act; and generally relating
8 to alcoholic beverages licenses in Harford County.

9 BY repealing and reenacting, with amendments,
10 Article 2B – Alcoholic Beverages
11 Section 9–101(a), (b), (c), and (k)
12 Annotated Code of Maryland
13 (2011 Replacement Volume and 2014 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
15 That the Laws of Maryland read as follows:

16 **Article 2B – Alcoholic Beverages**

17 9–101.

18 (a) (1) A license may not be issued to a partnership, to a corporation, or to a
19 limited liability company, but only to individuals authorized to act for a partnership,
20 corporation, or limited liability company who shall assume all responsibilities as
21 individuals, and be subject to all of the penalties, conditions and restrictions imposed upon
22 licensees under the provisions of the Tax – General Article that relate to the alcoholic
23 beverage tax and the provisions of this article. If the application is made for a partnership,
24 the license shall be applied for and be issued to all the partners as individuals, all of whom
25 shall have resided in the city or county in which the place of business is located for at least
26 2 years prior to the application.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) (i) In Montgomery County, if the application is made for a
2 partnership, the license shall be applied for and issued to at least 2 general partners as
3 individuals, at least one of whom is a registered voter of the county where the application
4 is made and resides there at the time of the application. If there is only one general partner,
5 the license shall be issued to that partner as an individual, if that partner is a registered
6 voter of the county where the application is made and resides there at the time of
7 application.

8 (ii) 1. In Baltimore County, if the application is made for a
9 partnership, the license shall be applied for and issued to at least two general partners as
10 individuals, at least one of whom is a registered voter of any county of the State or of the
11 City of Baltimore and resides there at the time of application.

12 2. If there is only one general partner, the Board of License
13 Commissioners shall issue the license to that partner as an individual, if the partner is a
14 registered voter of any county or of the City of Baltimore and resides there at the time of
15 the application.

16 3. The provisions of this subparagraph may not be construed
17 to waive any of the requirements under §§ 9–102, 9–102.2, and 9–301 of this article.

18 [(3) (i) This paragraph applies to an applicant in Harford County who
19 acts on behalf of a partnership, an association, a limited liability company, a sole
20 proprietorship, or a club or corporation, whether incorporated or unincorporated.

21 (ii) An applicant who applies for a Class B restaurant or Class D
22 tavern license:

23 1. Shall be a resident of the State for at least 1 year before
24 filing the application and shall remain a resident as long as the license is in effect; and

25 2. Shall reside within a 100–mile radius of the Town of Bel
26 Air.

27 (iii) An applicant who applies for a license other than a Class B
28 restaurant or Class D tavern license:

29 1. Shall be a resident of Harford County for at least 1 year
30 before filing the application and shall remain a resident as long as the license is in effect;
31 and

32 2. Shall reside within a 100–mile radius of the Town of Bel
33 Air]

34 **(3) (I) IN HARFORD COUNTY, THE APPLICANT SHALL BE A BONA**
35 **FIDE RESIDENT OF HARFORD COUNTY FOR AT LEAST 1 YEAR BEFORE FILING THE**

1 APPLICATION AND SHALL REMAIN A RESIDENT AS LONG AS THE LICENSE IS IN
2 EFFECT.

3 (II) THE APPLICANT IS NOT REQUIRED TO BE A REGISTERED
4 VOTER.

5 (4) In Prince George's County, if an application is made for a sole
6 proprietorship or partnership, the license shall be applied for and issued to all partners as
7 individuals, all of whom shall have resided in Prince George's County for at least 2 years
8 prior to the application, are registered voters in Prince George's County, and shall continue
9 to be bona fide residents of Prince George's County as long as the license is in effect.

10 (5) (i) 1. In Frederick County, if an alcoholic beverages license
11 application is made for a partnership, the license shall be applied for and issued to 3
12 individuals.

13 2. None of the 3 individuals need to be partners. However,
14 all 3 individuals shall be authorized in writing to act for the partnership by making
15 application for and becoming holders of the license for partnership.

16 3. Of the 3 individuals, 1 shall be a registered voter at the
17 time of application and prior thereto and be a resident of Frederick County for at least 2
18 years prior to making application.

19 4. The names of all of the partners shall be stated on the
20 application.

21 (ii) If a corporation, partnership, or limited liability company is a
22 partner of the partnership for which application is being made, the applicants shall state
23 on the application:

24 1. The name of any owner of more than 33 percent of the
25 stock in the corporate partner;

26 2. The name of any owner of more than 33 percent of
27 ownership interest of the partnership partner; or

28 3. The name of any member with more than a 33 percent
29 interest in the limited liability company partner.

30 (6) (i) This paragraph applies only to licenses issued by the State
31 Comptroller.

32 (ii) If a license application is made for a partnership, the license shall
33 be issued to three individuals, each of whom shall qualify as follows:

34 1. An individual general partner; or

1 2. When a general partner is a corporation, an officer of the
2 corporation as an individual.

3 (iii) If less than three general partners or corporate officers exist,
4 then a license may be issued to all of the general partners or officers qualified under
5 subparagraph (ii)2 of this paragraph.

6 (iv) In each instance under this paragraph, at least one of the
7 applicants shall be:

8 1. A resident of the State for at least 2 years preceding the
9 filing of the applications; and

10 2. A registered voter of the State.

11 (v) This paragraph may not be construed to waive any of the
12 requirements under § 9–102 of this article.

13 (7) (i) This paragraph applies only in Wicomico County.

14 (ii) 1. If a stadium beer and light wine license application is
15 made for a partnership, the license shall be applied for and issued to three individuals.

16 2. None of the three individuals need be partners. However,
17 all three individuals shall be authorized in writing to act for the partnership by making
18 application for and becoming holders of the license for the partnership.

19 3. Of the three individuals, one shall be a registered voter at
20 the time of application and for 1 year prior to then and be a resident of Wicomico County
21 for at least 2 years prior to making application.

22 4. The names of all of the partners shall be stated on the
23 application.

24 (iii) If a corporation, partnership, or limited liability company is a
25 partner of the partnership for which application is being made, the applicants shall state
26 on the application:

27 1. The name of any owner of more than 33 percent of the
28 stock in the corporate partner;

29 2. The name of any owner of more than 33 percent of
30 ownership interest of the partnership partner; or

31 3. The name of any member with more than 33 percent
32 interest in the limited liability company partner.

1 (b) (1) If the application is made for a corporation, or a club, whether
2 incorporated or unincorporated, the license shall be applied for by and be issued to three of
3 the officers of that corporation or club, as individuals, for the use of the corporation or club,
4 at least one of whom shall be a registered voter and taxpayer of the county or city, or State
5 of Maryland when the application is filed with the Comptroller, and shall also have resided
6 therein, at least two years prior to the application.

7 (2) The application shall also set forth the names and addresses of all of
8 the officers of the corporation or club and shall be signed by the president or vice president,
9 as well as by three officers to whom the license shall be issued. The application for every
10 license shall disclose the name and address of the corporation, partnership or association,
11 as well as the name and address of the applicant.

12 (3) For an application for any Class E, Class F or Class G license, the
13 application may be made by any three officers or employees residing in this State, duly
14 authorized by the corporation to apply for the license.

15 (4) The provisions of this subsection with reference to an applicant being a
16 registered voter, taxpayer or resident of the State of Maryland do not apply when three
17 principal officers of a corporation make application for a Class G license.

18 (5) This section[:

19 (i) Does] **DOES** not apply to “racetrack licenses” or to “beach and
20 amusement park licenses” issued in Anne Arundel County[; and

21 (ii) Subject to subsection (a)(3) of this section, applies to a license
22 issued in Harford County].

23 (6) In the case of a corporation where there are less than three officers or
24 directors of the corporation, all officers or directors shall make the application as provided
25 in this section.

26 (7) In the event there are no officers or directors of a close corporation, at
27 least one stockholder may make the application as provided in this section, if there is an
28 affirmative vote of the stockholders holding a majority of the stock.

29 (c) (1) (i) Except as provided in [subparagraphs] **SUBPARAGRAPH** (ii)
30 [and (iii)] of this paragraph, if the application is made for a limited liability company, the
31 license shall be applied for by and be issued to 3 of the authorized persons of that limited
32 liability company, as individuals, for the use of the limited liability company, at least 1 of
33 whom shall be a registered voter and taxpayer of the county or city, or the State when the
34 application is filed with the Comptroller, and shall also have resided there at least 2 years
35 before the application.

1 (ii) In Baltimore City, an authorized person of a limited liability
2 company who holds an alcoholic beverages license for the use of the limited liability
3 company that was granted on or before June 1, 2012, need not be a registered voter in
4 Baltimore City.

5 [(iii) Subject to subsection (a)(3) of this section, this paragraph applies
6 in Harford County.]

7 (2) The application shall also set forth the names and addresses of each of
8 the authorized persons and shall be signed by the 3 authorized persons to whom the license
9 shall be issued.

10 (3) (i) The application for each license shall disclose the name and
11 address of the limited liability company and the name and address of the applicant.

12 (ii) Notwithstanding item (i) of this paragraph, in the case of an
13 application for Class E, Class F, or Class G license, the application may be made by any 3
14 authorized persons or employees residing in the State, duly authorized by the limited
15 liability company to apply for the license.

16 (4) The provisions of this subsection with reference to an applicant being a
17 registered voter, taxpayer, or resident of the State do not apply when 3 members of a limited
18 liability company make application for a Class G license.

19 (5) (i) This section[:

20 1. Does] **DOES** not apply to “racetrack licenses” or to “beach
21 and amusement park licenses” issued in Anne Arundel County[; and

22 2. Subject to subsection (a)(3) of this section, applies to a
23 license issued in Harford County].

24 (ii) In the case of a limited liability company in which there are less
25 than 3 authorized persons of the limited liability company, all authorized persons shall
26 make the application as provided in this section.

27 (k) In Harford County, if the application is made for a corporation, whether
28 incorporated or unincorporated or for a limited liability company:

29 (1) Application for the license shall be by and be issued to 3 of the officers
30 holding a pecuniary interest in the corporation or 3 of the authorized persons holding a
31 pecuniary interest in the limited liability company, as individuals, for the use of the
32 corporation or limited liability company, as the case may be.

33 (2) **(I)** In addition to the provisions of paragraph (1) of this subsection,
34 1 of the applicants[:

1 (i) Shall] **SHALL** be a [responsible operator of the licensed
2 establishment who has been a resident of the State for at least 1 year before filing the
3 application and remains a resident as long as the license is in effect; and] **BONA FIDE**
4 **RESIDENT OF THE COUNTY.**

5 (ii) [Shall reside within a 100-mile radius of the Town of Bel Air]
6 **THE LICENSE SHALL REMAIN VALID ONLY SO LONG AS THE RESIDENT APPLICANT**
7 **REMAINS A RESIDENT OF THE COUNTY.**

8 (3) The [responsible operator] **RESIDENT APPLICANT** shall:

9 (i) **1.** Except an applicant for a Class B (beer, wine and liquor)
10 license **AS PROVIDED IN ITEM 2 OF THIS ITEM**, own at least 25 percent of the total
11 business; **OR**

12 **2. IF THE APPLICANT IS APPLYING FOR A CLASS B**
13 **(BEER, WINE AND LIQUOR) LICENSE, OWN AT LEAST 10 PERCENT OF THE TOTAL**
14 **BUSINESS;**

15 (ii) Serve as manager or supervisor; and

16 (iii) Be physically present on the premises a substantial amount of
17 time on a daily basis.

18 (4) Paragraph (3) of this subsection relating to the [responsible operator]
19 **RESIDENT APPLICANT** applies to any license issued or transferred after July 1, 1984.

20 (5) The application for a license shall:

21 (i) Set forth the names and addresses of all the officers of the
22 corporation or authorized persons of the limited liability company;

23 (ii) Be signed by the president or vice president of a corporation and
24 the 3 officers of a corporation or the 3 authorized persons of a limited liability company to
25 whom the license is issued; and

26 (iii) Disclose the name and address of the corporation, partnership,
27 association, or limited liability company, as well as the names and addresses of the
28 applicants.

29 (6) (i) In the case of a corporation where there are less than 3 officers
30 or directors of the corporation or in the case of a limited liability company where there are
31 less than 3 authorized persons, all officers or directors holding a pecuniary interest in the
32 corporation, or all authorized persons holding a pecuniary interest in the limited liability
33 company shall make the application.

1 (ii) In the case of a close corporation where there are no officers or
2 directors, 1 or more **RESIDENT**, majority stockholders may make the application as
3 provided for in this subsection.

4 (7) (i) In this paragraph “owner” means a person who has a real,
5 provable financial interest in the business and includes a stockholder or managerial
6 employee of the actual owner.

7 (ii) Stock ownership requirements do not apply to an applicant for a
8 Class B hotel or restaurant beer, wine and liquor license or a Class BNR beer, wine and
9 liquor license in which:

10 1. A majority of the shares of stock are owned or controlled
11 either directly or indirectly by 1 or more corporations whose shares of stock are authorized
12 for sale by the Securities and Exchange Commission of the United States;

13 2. At least 1 of the licensees is a [responsible operator]
14 **RESIDENT APPLICANT** of the business conducted on the licensed premises and that same
15 individual is responsible for the day to day operation of the license;

16 3. All licensees, including the [responsible operator]
17 **RESIDENT APPLICANT**, are named officers of the corporation; and

18 4. The residency requirement in effect at the time the license
19 is issued remains in effect as long as the license is in effect.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
21 apply only prospectively and may not be applied or interpreted to have any effect on or
22 application to any applicant who applied for or obtained a license after Chapter 644 of the
23 Acts of 2014 went into effect on July 1, 2014, but before the effective date of this Act.

24 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
25 1, 2015.