

Department of Legislative Services  
Maryland General Assembly  
2018 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 901  
Economic Matters

(Harford County Delegation)  
Education, Health, and Environmental Affairs

---

Harford County - Alcoholic Beverages - Applications for Licenses and Transfers

---

This bill alters the ownership requirements for specified applicants for alcoholic beverages licenses and transfers of alcoholic beverages licenses in Harford County. **The bill takes effect July 1, 2018.**

---

Fiscal Summary

**State Effect:** None.

**Local Effect:** The bill is not anticipated to materially impact Harford County finances or operations.

**Small Business Effect:** Minimal.

---

Analysis

**Bill Summary:**

*License Application on Behalf of a Corporation, Unincorporated Entity, or Limited Liability Company*

The bill specifies that, for a license issued after July 1, 1984, the resident applicant for a Class A beer and wine (BW) license or a Class A-1 or Class A-2 beer, wine, and liquor (BWL) license must own at least 25% of the total corporation, unincorporated entity, or limited liability company. The resident applicant for a Class C-1, Class C-2, or Class C-3 license may own any amount or no amount of the total corporation, unincorporated entity,

or limited liability company. For any other type of license, the resident applicant must own at least 10% of the total corporation, unincorporated entity, or limited liability company.

### *License Transfers*

When transferring a license, if the transferred license is a Class A BW license or a Class A-1 or Class A-2 BWL license, the resident applicant must own at least 25% of the total corporation, unincorporated entity, or limited liability company. If the transferred license is a Class C-1, Class C-2, or Class C-3 license, the resident applicant may own any amount or no amount of the total corporation, unincorporated entity, or limited liability company. For the transfer of any other type of license, the resident applicant must own at least 10% of the total corporation, unincorporated entity, or limited liability company.

### **Current Law:**

#### *License Application on Behalf of a Corporation, Unincorporated Entity, or Limited Liability Company*

A license for the use of a corporation, an unincorporated entity, or a limited liability company must be applied for by and issued to, as individuals, (1) three officers holding a financial interest in the corporation or (2) three authorized persons holding a financial interest in the limited liability company. One of the applicants must be a resident of Harford County.

For a license issued after July 1, 1984, the resident applicant must (1) except for an applicant for a Class B BWL license, own at least 25% of the total corporation, unincorporated entity, or limited liability company or (2) if an applicant for a Class B BWL license, own at least 10% of the total corporation, unincorporated entity, or limited liability company.

### *License Transfers*

When transferring a license, the resident applicant acting on behalf of a corporation, an unincorporated entity, or a limited liability company must (1) unless the transferred license is a Class B BWL license, own at least 25% of the total corporation, unincorporated entity, or limited liability company or (2) if the transferred license is a Class B BWL license, own at least 10% of the total business.

**Background:** In fiscal 2017, 202 alcoholic beverages licenses were issued for use in Harford County.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Harford County; Department of Legislative Services

**Fiscal Note History:** First Reader - February 14, 2018  
mm/tso Third Reader - March 13, 2018  
Revised - Amendment(s) - March 13, 2018

---

Analysis by: Nathan W. McCurdy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510