

# HOUSE BILL 1398

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By: **Delegates Arentz, Ghrist, and Jacobs**

Introduced and read first time: February 7, 2020

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Queen Anne's County – Alcoholic Beverages – License Applications**

3 FOR the purpose of requiring certain entities applying for certain licenses to hold certain  
4 status; repealing a certain residency requirement for an applicant for certain  
5 alcoholic beverages licenses in Queen Anne's County; and generally relating to  
6 alcoholic beverages licenses in Queen Anne's County.

7 BY repealing and reenacting, without amendments,

8 Article – Alcoholic Beverages

9 Section 27–102

10 Annotated Code of Maryland

11 (2016 Volume and 2019 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Alcoholic Beverages

14 Section 27–1403

15 Annotated Code of Maryland

16 (2016 Volume and 2019 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

18 That the Laws of Maryland read as follows:

19 **Article – Alcoholic Beverages**

20 27–102.

21 This title applies only in Queen Anne's County.

22 27–1403.

23 (a) (1) An individual on behalf of a corporation or limited liability company

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 may not be issued a Class A beer, wine, and liquor license unless [the owners of 75% of the  
2 total issued capital stock or interest in] the corporation or limited liability company [have  
3 been residents of the county for 2 years immediately before the application is filed.] IS:

4 (I) A MARYLAND ENTITY IN GOOD STANDING; OR

5 (II) A FOREIGN ENTITY REGISTERED TO DO BUSINESS IN THE  
6 STATE.

7 (2) A Class A beer, wine, and liquor license may not be issued for a  
8 corporation if more than one class of common stock is authorized by the corporate charter.

9 (b) (1) This subsection does not apply to:

10 (i) a Class A beer, wine, and liquor license; or

11 (ii) any other license issued before May 1, 1976.

12 (2) An applicant for a license on behalf of a corporation or limited liability  
13 company is not required to be a resident of the county.

14 (3) Except as provided in subsection (c) of this section, each applicant  
15 applying for a license for a corporation or limited liability company shall[:

16 (i) be a resident of the State; and

17 (ii)] own at least 15% of the total outstanding shares of common stock  
18 of the corporation or at least a 15% interest in the limited liability company, entitling the  
19 applicant to vote at a meeting of stockholders or members.

20 (4) A license may not be issued for a corporation if more than one class of  
21 common stock is authorized by the corporate charter.

22 (5) Except as provided in subsection (c) of this section, each year, an  
23 applicant, the corporation, or the limited liability company shall submit to the Board a  
24 sworn statement that contains:

25 (i) the name and address of each stockholder of the corporation and  
26 the number of shares the stockholder owns and is entitled to vote at a stockholder meeting;  
27 or

28 (ii) the name and address of each member of the limited liability  
29 company and the amount of interest the member owns and is entitled to vote at a meeting  
30 of members.

31 (6) The Board may require an applicant to submit other information

1 regarding the background and prior activities of the applicant.

2 (c) Subsection (b)(3) and (5) of this section does not apply to:

3 (1) a Class B beer, wine, and liquor (on-sale) license for use in a conference  
4 center; OR

5 (2) ANY ALCOHOLIC BEVERAGES LICENSE ISSUED WITHIN THE  
6 MUNICIPAL LIMITS OF ANY INCORPORATED TOWN.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
8 1, 2020.