

Chapter 283

**(House Bill 638)**

AN ACT concerning

**Anne Arundel County – Alcoholic Beverages – License Application Subject to  
Creditor Claim**

FOR the purpose of limiting the types of creditor claims for which the Board of License Commissioners for Anne Arundel County is required to adhere to certain guidelines before approving certain related license applications; authorizing the Board to approve an application for the transfer or issuance of a license that is subject to a certain claim by a creditor under certain circumstances; and generally relating to the transfer or issuance of a license subject to a creditor claim.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages  
Section 11–102  
Annotated Code of Maryland  
(2016 Volume and 2019 Supplement)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages  
Section 11–1702  
Annotated Code of Maryland  
(2016 Volume and 2019 Supplement)

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

**Article – Alcoholic Beverages**

11–102.

This title applies only in Anne Arundel County.

11–1702.

(a) (1) Subject to subsection (b) of this section, the Board may not approve an application for the transfer of a license unless:

(i) all obligations of the transferor pertaining to the licensed establishment have been paid; or

(ii) an arrangement concerning debts and obligations satisfactory to the transferor’s creditors has been made.

(2) Paragraph (1) of this subsection also applies to approval of an application for a new license if the Board believes that the application is being used to avoid provisions regarding the transfer of a license.

(b) **(1)** The Board is not bound by subsection (a) of this section unless:

**[(1)] (I)** a creditor submits a claim, under affidavit, to the Board before the hearing held on the transfer; and

**[(2)] (II)** the claim involves an indebtedness incurred **[in the operation of] THROUGH THE PURCHASE OR SALE OF ALCOHOLIC BEVERAGES IN CONNECTION WITH** the licensed premises.

**(2) IF THE BOARD DETERMINES THAT A PROPERLY FILED CLAIM IS OUTSIDE THE EXPERTISE OF THE BOARD, THE BOARD MAY APPROVE AN APPLICATION FOR THE TRANSFER OF A LICENSE OR AN APPLICATION FOR A NEW LICENSE IF THERE IS:**

**(I) AN AMICABLE RESOLUTION OF THE CLAIM; OR**

**(II) A JUDICIAL DETERMINATION ON THE CLAIM.**

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

**Enacted under Article II, § 17(c) of the Maryland Constitution, May 8, 2020.**