

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 683

(Senator Jimeno)

(Chairman, Anne Arundel County Senators)

Education, Health, and Environmental Affairs

Anne Arundel County - Alcoholic Beverages - Interests in Multiple Licenses

This emergency bill exempts lessors in Anne Arundel County from the prohibition against holding interests in more than one alcoholic beverages license. The bill establishes that the prohibition against holding an interest in more than one license does not apply to or affect any business establishment holding a license on or before March 1, 2004.

Fiscal Summary

State Effect: None.

Local Effect: The bill codifies existing practice.

Small Business Effect: Minimal.

Analysis

Current Law: In Anne Arundel County, a person, franchisor, franchisee, chain store operation, partnership, firm or corporation, except by way of renewal, may not have any interest in more than one license, whether held or controlled by direct or indirect ownership, by franchise operation, by chain store operation, by stock ownership, interlocking directors or interlocking stock ownership, or in other manner directly or indirectly. Any individual, franchisor, franchisee, chain store operation, firm, partnership, corporation is prohibited from having any interested, directly or indirectly, in more than one license. The prohibition does not affect any business establishment

already holding a license or the possibility of such licensee having the license transferred to a similar type of business establishment.

Background: Anne Arundel County advises that the Board of License Commissioners has issued an alcoholic beverages license to a lessee in which the lessor that has an alcoholic beverages license also has an ownership interest in the lessee's license. The county further advises that the board has always considered this not to be a violation of having an interest in more than one license. However, the Circuit Court for Anne Arundel County ruled that landlords have an interest in an alcoholic beverages license even when the tenant has an alcoholic beverages license. Accordingly, the bill updates current law to allow a lessor in Anne Arundel County to have an interest in more than one license. The county advises that the bill would not impact county finances.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Anne Arundel County, Department of Legislative Services

Fiscal Note History: First Reader - February 25, 2004
mh/jr

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