

# HOUSE BILL 527

A2

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By: **Harford County Delegation**

Introduced and read first time: February 11, 2015

Assigned to: Economic Matters

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Committee Report: Favorable

House action: Adopted

Read second time: March 3, 2015

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## CHAPTER \_\_\_\_\_

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 individuals, and be subject to all of the penalties, conditions and restrictions imposed upon  
2 licensees under the provisions of the Tax – General Article that relate to the alcoholic  
3 beverage tax and the provisions of this article. If the application is made for a partnership,  
4 the license shall be applied for and be issued to all the partners as individuals, all of whom  
5 shall have resided in the city or county in which the place of business is located for at least  
6 2 years prior to the application.

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

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

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

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

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

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

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

31 2. Shall reside within a 100-mile radius of the Town of Bel  
32 Air.

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

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



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

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

5                           1.    An individual general partner; or

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

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

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

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

15                           2.    A registered voter of the State.

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

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

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

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

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

27                                   4.    The names of all of the partners shall be stated on the  
28 application.

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

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

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

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

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

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

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

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

24                   (5)   This section[:

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

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

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

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

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

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

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

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

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

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

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

26 (5) (i) This section[:

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

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

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

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

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

5 (2) (I) In addition to the provisions of paragraph (1) of this subsection,  
6 1 of the applicants[:

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

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

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

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

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

21 (ii) Serve as manager or supervisor; and

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

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

26 (5) The application for a license shall:

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

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

1 (iii) Disclose the name and address of the corporation, partnership,  
2 association, or limited liability company, as well as the names and addresses of the  
3 applicants.

4 (6) (i) In the case of a corporation where there are less than 3 officers  
5 or directors of the corporation or in the case of a limited liability company where there are  
6 less than 3 authorized persons, all officers or directors holding a pecuniary interest in the  
7 corporation, or all authorized persons holding a pecuniary interest in the limited liability  
8 company shall make the application.

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

12 (7) (i) In this paragraph "owner" means a person who has a real,  
13 provable financial interest in the business and includes a stockholder or managerial  
14 employee of the actual owner.

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

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

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

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

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

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

32 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
33 1, 2015.