

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 527
Economic Matters

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

Harford County - Alcoholic Beverages - Residency Requirements

This bill repeals Chapter 644 of 2014, which altered residency requirements for certain business entities applying for alcoholic beverages licenses in Harford County.

The bill takes effect July 1, 2015.

Fiscal Summary

State Effect: None.

Local Effect: The bill is not expected to materially affect Harford County finances, but is anticipated to reduce the county's workload related to enforcement.

Small Business Effect: Minimal.

Analysis

Bill Summary: Under the bill, the residency requirements established by Chapter 644 of 2014 are repealed and replaced by the following residency requirements for alcoholic beverages applicants and licensees acting on behalf of business entities in Harford County:

- If an application is made for specified entities, the applicant must be a bona fide resident of Harford County for at least one year before filing the application and must remain a resident as long as the license is in effect. The applicant is not required to be a registered voter.

- If an application is made for a corporation or for a limited liability company, the application for the license must be applied for by and be issued to three of the officers holding a pecuniary interest in the corporation or three of the authorized persons holding a pecuniary interest in the limited liability company, as individuals, for the use of the corporation or limited liability company, as the case may be. In addition to these provisions, one of the applicants must be a bona fide resident of the county and the license remains valid only as long as the resident applicant remains a resident of the county.

A resident applicant must own at least 25% of the total business, except that in the case of an applicant for a Class B (beer, wine, and liquor) license, the resident applicant must own at least 10% of the total business; (2) serve as manager or supervisor; and (3) be physically present on the premises a substantial amount of time on a daily basis.

Current Law: State law prohibits an alcoholic beverages license from being issued to a partnership, corporation, or a limited liability company; a license may only be issued to individuals authorized to act for a partnership, corporation, or a limited liability company. The individual must assume all responsibilities for the license and, therefore, be subject to all penalties, conditions, and restrictions imposed on licensees by any applicable provisions of law. If an application is made for a partnership, the license must be applied for by and be issued to all the partners as individuals, all of whom must have resided in the city or county in which the place of business is located for at least two years prior to the application.

Under current law, as established by Chapter 644 of 2014, in Harford County, an applicant for a Class B restaurant or Class D tavern license who is acting on behalf of a partnership, an association, a limited liability company, a sole proprietorship, or a club or corporation must be a resident of the State for at least one year before filing the application, must remain a resident as long as the license is in effect, and must reside within a 100-mile radius of the Town of Bel Air.

Furthermore, an applicant acting on behalf of these same business entities and applying for any other alcoholic beverages license must be a resident of Harford County for at least one year before filing the application, must remain a resident as long as the license is in effect, and must reside within a 100-mile radius of the Town of Bel Air. Moreover, if an application is made for a corporation or limited liability company, one of the applicants must be a responsible operator of the licensed establishment who (1) has been a resident of the State for at least one year; (2) remains a resident as long as the license is in effect; and (3) must reside within a 100-mile radius of the Town of Bel Air. A responsible operator must own at least 25% of the total business, except for an applicant for a Class B (beer, wine, and liquor) license.

Background: In fiscal 2014, there were 25 Class B beer and wine licenses; 81 Class B beer, wine, and liquor licenses; and 9 Class D beer, wine, and liquor licenses in Harford County.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office, Harford County, Department of Legislative Services

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md/lgc

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