Chapter 272

(House Bill 655)

AN ACT concerning

Howard County - Alcoholic Beverages - Class D Licenses

Ho. Co. 7-16

FOR the purpose of making a Class D (on- and off-sale) beer, wine, and liquor license part of certain groups of alcoholic beverages licenses that the Board of License Commissioners for Howard County may issue to an individual or for the use of a partnership, a corporation, or an unincorporated association <u>person</u>; making certain technical changes; and generally relating to alcoholic beverages licenses in Howard County.

BY repealing and reenacting, with amendments, Article 2B – Alcoholic Beverages Section 9–102(o) Annotated Code of Maryland (2011 Replacement Volume and 2015 Supplement)

<u>BY repealing and reenacting, with amendments,</u> <u>Article – Alcoholic Beverages</u> <u>Section 23–1606</u> <u>Annotated Code of Maryland</u> (As enacted by Chapter _ (S.B. 724) of the Acts of the General Assembly of 2016)

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

Article 2B - Alcoholic Beverages

9-102.

(o) (1) Subject to paragraphs [(2)] (3) and [(3)] (4) of this subsection, and notwithstanding any other provision of law, in Howard County, the Board of License Commissioners may issue TO AN INDIVIDUAL OR FOR THE USE OF A PARTNERSHIP, A CORPORATION, OR AN UNINCORPORATED ASSOCIATION ONE OF THE FOLLOWING GROUPS OF LICENSES BUT NOT BOTH:

(I) 1-CLASS D (ON-AND OFF-SALE) BEER, WINE, AND LIQUOR LICENSE, 2 Class B (on-sale) beer, wine and liquor licenses and 7 Class BLX (luxury restaurant) (on-sale) beer, wine and liquor licenses[,]; or

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(II) 1-CLASS D (ON-AND OFF-SALE) BEER, WINE, AND LIQUOR LICENSE AND 9 Class BLX (luxury restaurant) (on-sale) beer, wine and liquor licenses [for separate premises:

- (i) To an individual; or
- (ii) For the use of a partnership, corporation, or unincorporated

association].

(2) THE LICENSES SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION ARE FOR SEPARATE PREMISES.

[(2)] (3) A person, including a corporation, limited liability company, partnership, limited partnership, joint venture, association, or other combination of persons, whether natural or otherwise and for whatever reason formed, may not have a direct or indirect interest in any combination of more than 1 CLASS D AND 9 Class B and Class BLX licenses.

[(3)] (4) For purposes of this subsection, an indirect interest is presumed to exist between two persons, corporations, limited liability companies, partnerships, limited partnerships, joint ventures, associations, or other combination of persons, whether natural or otherwise, if any of the following conditions exist between them:

- (i) A common parent company;
- (ii) A franchise agreement;
- (iii) A licensing agreement;
- (iv) A concession agreement;
- (v) Both are part of a chain of businesses commonly owned and

operated;

- (vi) They share:
 - 1. Directors, stockholders, partners, or members; or
 - 2. Directors, stockholders, partners, or members of parents

or subsidiaries;

(vii) They commonly share, directly or indirectly, profit from the sale of alcoholic beverages; or (viii) They share a common trade name, trademark, logo or theme, or mode of operation identifiable by the public.

<u>Article – Alcoholic Beverages</u>

23-1606.

(a) (1) Subject to subsections (b) and (c) of this section, the Board may issue to an individual or for the use of a person ONE OF THE FOLLOWING GROUPS OF LICENSES BUT NOT BOTH:

[(1)](I) ONE CLASS D (ON- AND OFF-SALE) BEER, WINE, AND LIQUOR LICENSE, two Class B (on-sale) beer, wine, and liquor licenses and seven Class BLX (luxury restaurant)(on-sale) beer, wine, and liquor licenses; or

[(2)](II) ONE CLASS D (ON- AND OFF-SALE) BEER, WINE, AND LIQUOR LICENSE AND nine Class BLX (luxury restaurant)(on-sale) beer, wine, and liquor licenses.

(2) THE LICENSES SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION ARE FOR SEPARATE PREMISES.

(b) <u>A person may not have a direct or indirect interest in any combination of more</u> than **ONE CLASS D AND** nine Class B and Class BLX licenses.

(c) For purposes of this section, an indirect interest is presumed to exist between two persons if both:

(1) <u>have a common parent company;</u>

(2) are linked by a franchise agreement, licensing agreement, or a concession agreement;

- (3) are part of a chain of businesses commonly owned and operated;
- <u>(4)</u> <u>share:</u>
 - (i) directors, stockholders, partners, or members; or
 - (ii) directors, stockholders, partners, or members of parents or

subsidiaries;

(5) <u>share, directly or indirectly, profit from the sale of alcoholic beverages;</u>

or

(6) <u>share a common trade name, trademark, logo, or theme, or mode of</u> <u>operation identifiable by the public.</u>

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Approved by the Governor, April 26, 2016.