

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 655  
Economic Matters

(Howard County Delegation)

Education, Health, and Environmental Affairs

---

**Howard County - Alcoholic Beverages - Class D Licenses**  
**Ho. Co. 7-16**

---

This bill adds a Class D on- and off-sale beer, wine, and liquor (BWL) license to two groups of licenses, one of which, but not both, may be issued by the Howard County Board of License Commissioners to an individual or for the use of a person.

The bill takes effect July 1, 2016.

---

**Fiscal Summary**

**State Effect:** None.

**Local Effect:** The bill is not anticipated to have a significant fiscal or operational impact on Howard County.

**Small Business Effect:** Minimal.

---

**Analysis**

**Bill Summary:** The board may issue to an individual or for the use of a person either (1) one Class D (on- and off-sale) BWL license, two Class B (on-sale) BWL licenses, and seven Class BLX luxury restaurant (on-sale) BWL licenses or (2) one Class D (on- and off-sale) BWL license and nine Class BLX luxury restaurant (on-sale) BWL licenses. The bill also clarifies that the licenses are for separate premises.

**Current Law:** Generally, “person” means (1) an individual; (2) an association, a partnership, a corporation, a trust, or any other entity, and the officers, directors, and other

individuals in active control of its activities; (3) the State, a political subdivision of the State, a unit or an instrumentality of the State, or a political subdivision of the State; or (4) another state or a political subdivision of that state.

With specified exceptions, the board may issue to an individual or for the use of a person either (1) two Class B (on-sale) BWL licenses and seven Class BLX (on-sale) BWL licenses or (2) nine Class BLX (on-sale) BWL licenses.

An individual or a person is prohibited from having either a direct or indirect interest in any combination of more than nine Class B and Class BLX licenses. An indirect interest is presumed to exist between two persons if both (1) have a common parent company; (2) are linked by a franchise agreement, licensing agreement, or a concession agreement; (3) are part of a chain of businesses; (4) share directors, stockholders, partners, or members; (5) share profit from the sale of alcoholic beverages; or (6) share a common trade name, trademark, logo, or theme, or mode of operation identifiable by the public.

**Background:** In fiscal 2015, 293 alcoholic beverages licenses were issued for use in Howard County. Howard County advises that there are currently 196 Class B licenses and 9 Class BLX licenses in use.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Howard County, Department of Legislative Services

**Fiscal Note History:** First Reader - February 18, 2016  
kb/hlb Revised - House Third Reader - March 17, 2016

---

Analysis by: Nathan W. McCurdy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510