

Article - Alcoholic Beverages

§9–101.

(a) (1) A license may not be issued to a partnership, to a corporation, or to a limited liability company, but only to individuals authorized to act for a partnership, corporation, or limited liability company who shall assume all responsibilities as individuals, and be subject to all of the penalties, conditions and restrictions imposed upon licensees under the provisions of the Tax – General Article that relate to the alcoholic beverage tax and the provisions of this article. If the application is made for a partnership, the license shall be applied for and be issued to all the partners as individuals, all of whom shall have resided in the city or county in which the place of business is located for at least 2 years prior to the application.

(2) (i) In Montgomery County, if the application is made for a partnership, the license shall be applied for and issued to at least 2 general partners as individuals, at least one of whom is a resident of the State and resides there at the time of the application. If there is only one general partner, the license shall be issued to that partner as an individual, if that partner is a resident of the State and resides there at the time of application.

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

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

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

(3) (i) In Harford County, the applicant shall be a bona fide resident of Harford County for at least 1 year before filing the application and shall remain a resident as long as the license is in effect.

(ii) The applicant is not required to be a registered voter.

(4) In Prince George's County, if an application is made for a sole proprietorship or partnership, the license shall be applied for and issued to all partners as individuals, one of whom shall have resided in the State for at least 1 year prior to the application, is a registered voter in the State, and shall continue to be a bona fide resident of the State as long as the license is in effect.

(5) (i) 1. In Frederick County, if an alcoholic beverages license application is made for a partnership, the license shall be applied for and issued to 3

individuals.

2. None of the 3 individuals need to be partners. However, all 3 individuals shall be authorized in writing to act for the partnership by making application for and becoming holders of the license for partnership.

3. Of the 3 individuals, 1 shall be a registered voter at the time of application and prior thereto and be a resident of Frederick County for at least 2 years prior to making application.

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

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

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

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

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

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

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

1. An individual general partner; or

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

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

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

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

2. A registered voter of the State.

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

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

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

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

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

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

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

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

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

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

(b) (1) (i) Except as provided in subparagraph (ii) of this paragraph, if the application is made for a corporation, or a club, whether incorporated or unincorporated, the license shall be applied for by and be issued to three of the officers of that corporation or club, as individuals, for the use of the corporation or club, at least one of whom shall be a registered voter and taxpayer of the county or city, or State of Maryland when the application is filed with the Comptroller, and shall also have resided therein, at least two years prior to the application.

(ii) In Montgomery County, an individual who is a resident of the State meets the registered voter, taxpayer, and residency requirements under subparagraph (i) of this paragraph.

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

partnership or association, as well as the name and address of the applicant.

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

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

(5) This section does not apply to “racetrack licenses” or to “beach and amusement park licenses” issued in Anne Arundel County.

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

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

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

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

(iii) In Montgomery County, an individual who is a resident of the State meets the registered voter, taxpayer, and residency requirements under subparagraph (i) of this paragraph.

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

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

(ii) Notwithstanding item (i) of this paragraph, in the case of an application for Class E, Class F, or Class G license, the application may be made by any 3 authorized persons or employees residing in the State, duly authorized by the

limited liability company to apply for the license.

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

(5) (i) This section does not apply to “racetrack licenses” or to “beach and amusement park licenses” issued in Anne Arundel County.

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

(d) (1) This subsection applies only in Prince George’s County.

(2) If the application is made for a corporation or a club, whether incorporated or unincorporated, or for a limited liability company, the license shall be applied for by and be issued to 3 of the officers of a corporation or club, or 3 of the authorized persons of a limited liability company, as individuals, for the use of the corporation, club, or limited liability company.

(3) In addition to the provisions of subsection (a)(3) of this section, a license may not be issued, renewed, or transferred to an individual applying on behalf of a corporation, unincorporated association, or limited liability company, unless bona fide residents of the State own 25 percent of the total issued capital stock of the corporation or unincorporated association or 25 percent of the interests of the limited liability company, as the case may be.

(4) The application for a license shall:

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

(ii) Be signed by the president or vice president of a corporation or club or the 3 officers or authorized persons, as the case may be, to whom the license is issued;

(iii) Disclose the name and address of the corporation, club, partnership, association, or limited liability company as well as the names and addresses of the applicants; and

(iv) In the case of a corporation where there are less than 3 officers or directors of the corporation, or in the case of a limited liability company where there are less than 3 authorized persons, all officers, directors, or authorized persons, as the case may be, shall make the application.

(5) If a close corporation has no officers or directors, in order to make the application:

- (i) At least 25 percent of the stock shall be held by State residents;
- (ii) There shall be an affirmative vote of the stockholders holding a majority of the stock;
- (iii) At least 1 stockholder shall apply for the license as provided in this section; and
- (iv) The applicants or the corporation shall furnish annually to the Board of License Commissioners a sworn statement giving the name and address of each stockholder of the corporation and the number of shares that each stockholder owns in his name on which he has a right to vote at any stockholder meeting.

(6) This section does not apply to racetrack licenses, Class BLX licenses, arena licenses, Class BCE (catering) licenses, Class B–CC (convention center) licenses, Class B/ECF (educational conference facility) licenses, issuance, renewal, or transfer of Class B–DD (development district) licenses, or to businesses whose sales of stock or interests are authorized for sale by the Securities and Exchange Commission of the United States.

(e) (1) In Howard County the applicants for a new license or the transfer of an existing license for the use of a corporation or limited liability company shall certify that the following requirements shall be maintained as long as the licensee is the holder of the license:

(i) That the qualifying individual owns a minimum of 10 percent of the stock in the corporation or interest in the limited liability company; or

(ii) That the qualifying individual shall serve as the manager or supervisor and shall be physically present on a full–time basis at the licensed premises to conduct the daily business involving transactions concerning alcoholic beverages sales.

(2) The stock or interest ownership requirement provided for in paragraph (1) of this subsection does not apply:

(i) To a corporation for which shares of stock or a limited liability company for which interests are authorized for sale by the Securities and Exchange Commission of the United States; or

(ii) To a corporation in which a majority of the shares of stock or a limited liability company in which a majority of the interests are owned or controlled either directly or indirectly by one or more corporations or limited liability companies whose shares of stock or interests are so traded.

(3) The corporations and limited liability companies provided for in paragraph (2) of this subsection shall maintain one applicant as a manager or supervisor physically present on a full–time basis at the licensed premises to conduct

the daily business involving transactions concerning alcoholic beverages sales.

(4) Individuals applying for a license on behalf of corporations or limited liability companies shall submit an executed copy of the articles of incorporation or articles of organization, as the case may be, and a schedule showing names, addresses, and percentages of all stockholders holding a minimum of 5 percent of the shares of stock of a corporation or of all members holding a minimum of 5 percent of the interests of a limited liability company. The schedule requirement shall not apply in the case of a corporation whose shares of stock or a limited liability company whose interests are authorized for sale by the Securities and Exchange Commission of the United States.

(f) (1) In Queen Anne's County, a beer, wine and liquor license, Class A (off-sale) may not be issued to an individual for the use of a partnership, corporation, or limited liability company unless the owners of 75 percent of the total issued capital stock or interests of the partnership, corporation, or limited liability company are bona fide residents of Queen Anne's County, and have been bona fide residents of the county for two years next preceding the application for this license.

(2) The qualifying corporation under this subsection may not have more than 1 class of common stock authorized by its charter.

(g) (1) In Queen Anne's County, an applicant for an alcoholic beverage license to be issued for the benefit of a corporation or limited liability company is not required to be a resident of Queen Anne's County. However, each applicant applying on behalf of a corporation or limited liability company shall be a resident of the State of Maryland and the owner of not less than 15 percent of the total outstanding shares of common stock of the corporation or 15 percent of the interests of the limited liability company which would be entitled to vote at any meeting of stockholders or members. The qualifying corporation under this subsection may not have more than 1 class of common stock authorized by its charter. The provisions of this paragraph do not apply to Class A beer, wine and liquor licenses.

(2) In addition, the applicants or the corporation or limited liability company shall furnish annually to the Board of License Commissioners a sworn statement giving the name and address of each stockholder of the corporation and the number of shares that each stockholder owns in his name on which he has a right to vote at any stockholder meeting, or the name and address of each member of the limited liability company and interest that each member owns in the member's name on which the member has a right to vote at a meeting of members.

(3) The Board of License Commissioners may require any other data and information regarding the background and prior activities of the applicants as it considers necessary.

(4) This subsection does not apply to or affect any license issued prior to May 1, 1976.

(5) The following license requirements do not apply when granting a Class B beer, wine and liquor on-sale license for use in a conference center:

(i) The residency requirement under paragraph (1) of this subsection;

(ii) The ownership requirement under paragraph (1) of this subsection; and

(iii) The annual sworn statement requirement under paragraph (2) of this subsection.

(h) In Wicomico County, a Class A (off-sale) beer, wine and liquor license may not be issued to an individual or partnership unless they have a Class B (on-sale) beer, wine and liquor restaurant 7-day license and have been in operation for not less than 3 months prior to the application for the license. A Class A (off-sale) beer, wine and liquor license may not be issued to any corporation or limited liability company unless the applicants (1) own or are owners of 75 percent of the total issued capital stock of the corporation or the limited liability company, as the case may be, and (2) have a Class B (on-sale) beer, wine and liquor restaurant 7-day license, and (3) have been in operation for not less than 3 months prior to the application for the license.

(i) (1) In Worcester County, an alcoholic beverage license, except a Class B beer, wine and liquor license, may not be issued to a corporation or limited liability company unless one of the applicants has been a registered voter, a taxpayer and a resident of Worcester County and owns at least 10 percent of the total issued capital stock of the corporation or 10 percent of the interests of the limited liability company, as the case may be.

(2) Any license holder holding a license issued prior to May 1, 1977 is exempt from this subsection.

(3) In addition, the applicants for the corporation or limited liability company shall furnish the Board of License Commissioners a sworn statement giving the name and address of each stockholder of the corporation or member of the limited liability company and the number of voting shares that each stockholder or member owns.

(j) (1) In Cecil County, if a license is issued to individuals as officers of a corporation or authorized persons of a limited liability company and there is a change in 1 or more officers of a corporation or authorized persons of a limited liability company, the corporation or limited liability company, as the case may be, shall provide written notice by certified mail to the Board of License Commissioners within 30 days after installation of the new officers or authorized persons.

(2) The written notice furnished by the corporation or limited liability company to the Board of License Commissioners shall be accompanied by a \$5 fee and a sworn statement giving the name and address of each new officer or authorized

person, the office held, and the previous officer's or authorized person's name and address.

(3) Upon receipt of written notification of a change in corporate officers or authorized persons of a limited liability company, the Board of License Commissioners shall issue a revised license listing the individuals as current officers of the corporation or current authorized persons of the limited liability company.

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

(1) Application for the license shall be by and be issued to 3 of the officers holding a pecuniary interest in the corporation or 3 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.

(2) (i) In addition to the provisions of paragraph (1) of this subsection, 1 of the applicants shall be a bona fide resident of the county.

(ii) The license shall remain valid only so long as the resident applicant remains a resident of the county.

(3) The resident applicant shall:

(i) 1. Except an applicant for a Class B (beer, wine and liquor) license as provided in item 2 of this item, own at least 25 percent of the total business; or

2. If the applicant is applying for a Class B (beer, wine and liquor) license, own at least 10 percent of the total business;

(ii) Serve as manager or supervisor; and

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

(4) Paragraph (3) of this subsection relating to the resident applicant applies to any license issued or transferred after July 1, 1984.

(5) The application for a license shall:

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

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

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

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

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

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

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

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

2. At least 1 of the licensees is a resident applicant of the business conducted on the licensed premises and that same individual is responsible for the day to day operation of the license;

3. All licensees, including the resident applicant, are named officers of the corporation; and

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

(l) (1) Except as provided in paragraph (2) of this subsection, in Charles County, an applicant for a new license for the use of a corporation or limited liability company or a transfer of an existing license for the use of a corporation or limited liability company shall certify to the Board of License Commissioners that the applicant:

(i) Is an officer of the corporation or limited liability company;

(ii) Meets each of the other applicable qualifications for licensure under this section;

(iii) Owns 20 percent of the stock in that corporation or a 20 percent

interest in the limited liability company; and

(iv) Will maintain a 20 percent interest in the corporation or limited liability company as long as the applicant is the holder of the license.

(2) The ownership requirement in paragraph (1) of this subsection does not apply to an applicant who applies for a Class BLX license for the use of a corporation or limited liability company in which:

(i) Shares of stock of a corporation or interests in a limited liability company are authorized for sale by the Securities and Exchange Commission of the United States; or

(ii) A majority of the shares of stock of the corporation or interests in the limited liability company are owned or controlled either directly or indirectly by one or more corporations or limited liability companies, the shares of stock or the interests in which are authorized for sale by the Securities and Exchange Commission of the United States.

(3) Applicants for a license for the use of a corporation or limited liability company shall submit to the Board of License Commissioners:

(i) An executed copy of the articles of incorporation or articles of organization, as the case may be; and

(ii) A schedule showing names, addresses, and percentages of all stockholders holding a minimum of 5 percent of the shares of stock of a corporation or members holding a minimum of 5 percent of the interests of a limited liability company.

(4) The schedule requirement under paragraph (3)(ii) of this subsection does not apply if the corporation's shares of stock or the limited liability company's interests are authorized for sale by the Securities and Exchange Commission of the United States.

(m) (1) This subsection applies only in Calvert County.

(2) The name or names of the person or persons who own the greatest number of shares in the corporation which makes application for a license shall appear on the application as applicants.

(3) The applicant who is a resident of the county shall own at least 10 percent of the business.

(4) These requirements are in addition to any other requirements imposed by this article.