

# SENATE BILL 1177

A2

7lr2528  
CF HB 485

---

By: **Senators Jennings and Norman**

Introduced and read first time: March 6, 2017

Assigned to: Rules

Re-referred to: Education, Health, and Environmental Affairs, March 10, 2017

---

Committee Report: Favorable

Senate action: Adopted with floor amendments

Read second time: March 24, 2017

---

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

1 AN ACT concerning

2 **Harford County – Alcoholic Beverages – ~~Interest in More Than One License~~**  
3 **Common Direct or Indirect Sharing of Profit**

4 FOR the purpose of ~~specifying that a percentage rent provision in a commercial lease does~~  
5 ~~not constitute an interest in an alcoholic beverages license in Harford County;~~  
6 repealing in Harford County a provision of law stating that a condition of a common  
7 direct or indirect sharing between certain persons of profit from the sale of alcoholic  
8 beverages gives rise to a presumption of indirect ownership interest in an alcoholic  
9 beverages license; and generally relating to alcoholic beverages in Harford County.

10 BY repealing and reenacting, without amendments,  
11 Article – Alcoholic Beverages  
12 Section 22–102 and 22–1501  
13 Annotated Code of Maryland  
14 (2016 Volume and 2016 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article – Alcoholic Beverages  
17 Section 22–1503  
18 Annotated Code of Maryland  
19 (2016 Volume and 2016 Supplement)

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

---

### 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.



**Article – Alcoholic Beverages**

1  
2 22–102.

3 This title applies only in Harford County.

4 22–1501.

5 (a) The following sections of Title 4, Subtitle 2 (“Issuance or Denial of Local  
6 Licenses”) of Division I of this article apply in the county without exception or variation:

7 (1) § 4–205 (“Chain store, supermarket, or discount house”);

8 (2) § 4–206 (“Limitations on retail sales floor space”);

9 (3) § 4–207 (“Licenses issued to minors”);

10 (4) § 4–209 (“Hearing”);

11 (5) § 4–213 (“Replacement licenses”); and

12 (6) § 4–214 (“Waiting periods after denial of license applications”).

13 (b) The following sections of Title 4, Subtitle 2 (“Issuance or Denial of Local  
14 Licenses”) of Division I of this article apply in the county:

15 (1) § 4–202 (“Authority of local licensing boards”), subject to § 22–1502 of  
16 this subtitle;

17 (2) § 4–203 (“Prohibition against issuing multiple licenses to individual or  
18 for use of entity”), subject to §§ 22–1503 and 22–1504 of this subtitle and Subtitle 13, Part  
19 III and Subtitle 16, Part II of this title;

20 (3) § 4–204 (“Prohibition against issuing multiple licenses for same  
21 premises”), subject to §§ 22–1503 and 22–1504 of this subtitle and Subtitle 13, Part III of  
22 this title;

23 (4) § 4–208 (“Notice of license application required”), subject to § 22–1505  
24 of this subtitle;

25 (5) § 4–210 (“Approval or denial of license application”), subject to §§  
26 22–1506 and 22–1507 of this subtitle;

27 (6) § 4–211 (“License forms; effective date; expiration”), subject to §  
28 22–1508 of this subtitle; and

1 (7) § 4–212 (“License not property”), in addition to § 22–1509 of this  
2 subtitle.

3 22–1503.

4 (a) (1) Except as otherwise provided in this title, a person may not have  
5 interest in more than one license.

6 (2) Paragraph (1) of this subsection applies whether the license is held or  
7 controlled by direct or indirect ownership, by franchise operation, by stock ownership, by  
8 interlocking directors or interlocking stock ownership, or in any other manner, directly or  
9 indirectly.

10 (b) Under subsection (a) of this section, an indirect ownership interest is  
11 presumed to exist between any combination of individuals, corporations, limited liability  
12 companies, partnerships, limited partnerships, joint ventures, associations, or other  
13 persons if any of the following conditions exist between them:

14 (1) a common parent company;

15 (2) a franchise agreement;

16 (3) a licensing agreement;

17 (4) a concession agreement;

18 (5) dual membership in a chain of businesses commonly owned and  
19 operated;

20 (6) a sharing of directors, stockholders, partners, or members, or a sharing  
21 of directors, stockholders, partners, or members of parents or subsidiaries; **OR**

22 (7) ~~common direct or indirect sharing of profit from the sale of alcoholic~~  
23 ~~beverages; or~~

24 ~~(8)~~ a sharing of a common trade name, trademark, logo, or theme, or mode  
25 of operation identifiable by the public.

26 ~~(C) A PERCENTAGE RENT PROVISION IN A COMMERCIAL LEASE DOES NOT~~  
27 ~~CONSTITUTE AN INTEREST IN A LICENSE.~~

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
29 1, 2017.