

Department of Legislative Services  
Maryland General Assembly  
2020 Session

FISCAL AND POLICY NOTE  
Third Reader

House Bill 902

(Delegate Dumais)

Economic Matters

Education, Health, and Environmental Affairs

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Alcoholic Beverages - License Applications - Durational Residency Requirements

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This bill (1) repeals various requirements that an alcoholic beverages license applicant or license holder be a registered voter, taxpayer, and/or resident of a jurisdiction for a period of time (generally one or more years) as a condition for obtaining or maintaining a license and (2) instead, generally requires the applicant or licensee to be a resident, voter, and/or taxpayer of the State or a local jurisdiction at the time of application and during the license period. The bill applies to various State- and locally-issued alcoholic beverages licenses and permits. **The bill takes effect July 1, 2020.**

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Fiscal Summary

**State Effect:** None. The bill codifies a recent U.S. Supreme Court decision, as discussed below.

**Local Effect:** None. The bill codifies a recent U.S. Supreme Court decision, as discussed below.

**Small Business Effect:** None. The bill codifies a recent U.S. Supreme Court decision, as discussed below.

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Analysis

**Bill Summary:** It is the intent of the General Assembly that the bill be applied and interpreted to comport with the holding of the U.S. Supreme Court in *Tennessee Wine and Spirits Retailers Assn. v. Russel Fl. Thomas, Executive Director of the Tennessee Alcoholic Beverage Commission*, et al., 139 S. Ct. 2449 (2019), which held that durational-residency

requirements for an alcoholic beverages license was facially discriminatory, in violation of the dormant Commerce Clause of the U.S. Constitution.

**Current Law/Background:** Alcoholic Beverages Law includes various requirements that an applicant for an alcoholic beverages license be a voter, taxpayer, or resident of a jurisdiction in order to obtain the license from that jurisdiction. This applies for specified State-issued licenses and permits and locally issued licenses and permits. For example, an applicant for an alcoholic beverages manufacturer’s license (brewery, winery, and distillery) must have been a resident of the State for the two years immediately preceding the application for a license. However, this type of durational residency requirement was recently ruled unconstitutional by the U.S. Supreme Court.

In June 2019, the U.S. Supreme Court decided the case of [\*Tennessee Wine and Spirits Retailers Assn. v. Russel Fl. Thomas, Executive Director of the Tennessee Alcoholic Beverage Commission, et al., 139 S. Ct. 2449 \(2019\)\*](#). In the case, the court struck down a residency requirement to obtain and maintain an alcoholic beverages license in Tennessee. Specifically, Tennessee required an applicant for a retail liquor store license to live in the state for two years as a qualification for receiving a license, while an applicant for license renewal must have lived in the state for 10 years. The court found that this residency requirement violates the Commerce Clause of the U.S. Constitution. The bill codifies the court’s decision throughout State law.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** SB 765 (Senator Miller) - Education, Health, and Environmental Affairs.

**Information Source(s):** Baltimore City; Montgomery and Worcester counties; Department of Legislative Services

**Fiscal Note History:** First Reader - February 12, 2020  
rh/tso Third Reader - March 6, 2020

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