SB 965.HB 1423. FINAL.pdf Uploaded by: Danielle Mitchell

Position: FWA



CHARLES COUNTY COMMISSIONERS

Reuben B. Collins, II, Esq., President Bobby Rucci, Vice President Gilbert O. Bowling, III Thomasina O. Coates, M.S. Amanda M. Stewart, M.Ed.

Mark Belton County Administrator

March 14, 2022

Bill: SB 965/ HB 1423 Charles County - Alcoholic Beverages - Multiple Class B Licenses

Committee: Senate - Education, Health, and Environmental Affairs

House - Economic Matters

Position: FAVORABLE WITH AMENDMENTS

Dear Chairman Pinsky, Vice Chairwoman Kagan, and Members:

On behalf of the County Commissioners for Charles County, it is our sincere pleasure to support passage of SB 965/HB 1423 Charles County - Alcoholic Beverages - Multiple Class B Licenses.

SB 965/ HB 1423 authorizes the Board of License Commissioners for Charles County to allow a person to obtain an interest in no more than two (2) alcoholic beverage licenses for restaurants, restaurants with a bar, and hotels in Charles County. Currently, a person can only have an interest in one (1) alcoholic beverage license. This bill does not impact license limitations for off-sale (i.e. liquor store) license holders. With the passage of SB 965/ HB 1423, Charles County will join several other counties in Maryland, to include Anne Arundel, Baltimore, Hartford, Howard, and Montgomery, that already permit license holders of certain on-sale licenses to hold multiple licenses.

Currently, only license holders of a B-BLX license in Charles County are permitted to have more than one license. To be eligible for the Class B-BLX license, a license holder must have a capital investment of at least \$550,000 and seating for at least 150 people. Because of these requirements, most small businesses do not qualify, and Class B- BLX licenses are generally only held by chain restaurants. Passage of SB 965/ HB 1423 will provide the same opportunity to small businesses that is currently afforded to larger restaurateurs within Charles County.

We are supportive of the changes recommended by the Maryland State Licensed Beverage Association, that will alter the wording of the bill to be consistent with the multiple licensing provisions of other jurisdictions, while maintaining the intent and substance of SB 965/ HB 1423. The changes are enclosed for your consideration.

We encourage a favorable committee report on SB 965/ HB 1423. Thank you for the opportunity to provide our full support.

Sincerely,

County Commissioners of Charles County Reuben B. Collins, II, Esq., President

cc: Charles County Delegation

A2 2 lr 3 0 4 0CF HB 1423

By: Senator Jackson

Introduced and read first time: February 15, 2022

Assigned to: Rules

AN ACT concerning

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A BILL ENTITLED

2 Charles County - Alcoholic Beverages - Multiple Class B Licenses

3 FOR the purpose of authorizing the Board of License Commissioners for Charles County to

allow a person to obtain a direct or indirect interest in, in addition to certain other

licenses, not more than a certain number of Class B-H (hotel), Class B-R 5 6

(restaurant), or Class B-RB (restaurant/bar) on-sale beer, wine, and liquor licenses;

and generally relating to alcoholic beverages licenses in Charles County.

- 8 BY repealing and reenacting, without amendments,
- 9 Article – Alcoholic Beverages
- 10 Section 18–102
- Annotated Code of Maryland 11
- 12 (2016 Volume and 2021 Supplement)
- 13 BY adding to
- 14 Article – Alcoholic Beverages
- 15 Section 18-1606
- Annotated Code of Maryland 16
- 17 (2016 Volume and 2021 Supplement)
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND. 18
- That the Laws of Maryland read as follows: 19
- 20 Article - Alcoholic Beverages
- 21 18–102.
- 22 This title applies only in Charles County.
- 18-1606. 23

- 1 THE BOARD MAY ALLOW A PERSON TO OBTAIN MAY NOT HAVE A DIRECT OR INDIRECT
- INTEREST IN-IN ADDITION TO ONE OR MORE LICENSES ISSUED IN ANOTHER 2
- 3 JURISDICTION OR STATE, NOT MORE THAN TWO OF THE FOLLOWING LICENSES IN ANY COMBINATION:
- CLASS B-H (HOTEL) ON-SALE BEER, WINE, AND LIQUOR 4 **(1)** LICENSES ISSUED UNDER § 18–902 OF THIS TITLE; 5
- CLASS B-R (RESTAURANT) ON-SALE BEER, WINE, AND LIQUOR 6 **(2)** LICENSES ISSUED UNDER § 18–904 OF THIS TITLE; OR 7
- 8 CLASS B-RB (RESTAURANT/BAR) ON-SALE BEER, WINE, AND **(3)** 9 LIQUOR LICENSES ISSUED UNDER § 18–905 OF THIS TITLE.
- 10 (B) AN INDIRECT INTEREST IS PRESUMED TO EXIST BETWEEN ANY COMBINATION OF PERSONS IF ANY OF THE FOLLOWING CONDITIONS EXIST 11 12 BETWEEN THEM:
- 13 **(1)** A COMMON PARENT COMPANY;
- **(2)** 14 A FRANCHISE AGREEMENT;
- 15 **(3)** A LICENSING AGREEMENT;
- 16 **(4)** A CONCESSION AGREEMENT;
- 17 DUAL MEMBERSHIP IN A CHAIN OF BUSINESSES COMMONLY **(5)** OWNED AND OPERATED; 18
- 19 A SHARING OF DIRECTORS, STOCKHOLDERS, PARTNERS, OR
- MEMBERS, OR A SHARING OF DIRECTORS, STOCKHOLDERS, PARTNERS, OR 20
- 21 MEMBERS OF PARENTS OR SUBSIDIARIES;
- 22COMMON DIRECT OR INDIRECT SHARING OF PROFIT FROM THE **(7)**
- 23SALE OF ALCOHOLIC BEVERAGES; OR
- 24A SHARING OF A COMMON TRADE NAME, TRADEMARK, LOGO, OR
- 25 THEME OR MODE OF OPERATION IDENTIFIABLE BY THE PUBLIC.
- (c) A SECOND OR SUBSEQUENT LICENSE DESCRIBED IN SUBSECTION (A) OF THIS SECTION DOES NOT CONFER AN OFF-SALE PRIVILEGE.

1, 2022.

JacksonSB965Testimony.pdf Uploaded by: Michael Jackson Position: FWA

MICHAEL A. JACKSON

Legislative District 27

Calvert, Charles and

Prince George's Counties

Budget and Taxation Committee ${\it Subcommittees}$

Pensions

Public Safety, Transportation, and Environment



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TESTIMONY - SENATE BILL 965

CHARLES COUNTY – ALCOHOLIC BEVERAGES – MULTIPLE CLASS B LICENSES

EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE

MARCH 15, 2022

Chair Pinsky, Vice Chair Kagan, and Members of the Committee:

Senate Bill 965 is a straightforward bill that modifies the Charles County multiple licensing plan law to permit certain Charles County Class B License types to increase the number of alcoholic beverage licenses held by a single individual within the Charles County limits from one license to two licenses.

This legislation comes at the request of Charles County government and is intended to provide the same opportunity to smaller businesses that currently exists for larger entities within Charles County. Currently, the only license type that allows for a licensee to have more than one license is a Class B-BLX license of which up to six licenses can be issued to the same alcoholic beverage license holder. To be eligible for the Class B-BLX license, a licensee must have a capital investment of at least \$550,000 (not including land/buildings) and seating for at least 150 people. Because of these requirements, most small businesses do not qualify, and Class B-BLX licenses are generally only held by chain restaurants.

This is simple piece of legislation designed only to level the playing field for small business owners in Charles County.

For the reasons listed above, I ask for a favorable report of Senate Bill 965.

SB965Amendment.pdfUploaded by: Michael Jackson Position: FWA



SB0965/743921/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

14 MAR 22 16:29:56

BY: Senator Jackson (To be offered in the Education, Health, and Environmental Affairs Committee)

AMENDMENTS TO SENATE BILL 965

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with "authorizing" in line 3 down through "allow" in line 4 and substitute "<u>prohibiting</u>"; in line 4, strike "to obtain" and substitute "<u>from having</u>"; in lines 4 and 5, strike ", in addition to certain other licenses, not"; in line 6, strike "or" and substitute "<u>and</u>"; and in the same line, after "licenses" insert "<u>in any combination in Charles County</u>".

AMENDMENT NO. 2

On page 2, in line 1, strike "THE BOARD MAY ALLOW A" and substitute "A"; in the same line, strike "TO OBTAIN" and substitute "MAY NOT HAVE"; strike beginning with the comma in line 2 down through "NOT" in line 3; in line 3, after "TWO" insert "OF THE FOLLOWING LICENSES IN ANY COMBINATION"; in line 7, strike "OR" and substitute "AND"; and strike in their entirety lines 26 and 27.

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1, 2022.