

## **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

 $\begin{array}{c} \text{A2} \\ \text{CF HB 1423} \end{array}$ 

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

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

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

(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
- 11 Annotated Code of Maryland
- 12 (2016 Volume and 2021 Supplement)
- 13 BY adding to
- 14 Article Alcoholic Beverages
- 15 Section 18–1606
- 16 Annotated Code of Maryland
- 17 (2016 Volume and 2021 Supplement)
- 18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND.
- 19 That the Laws of Maryland read as follows:
- 20 Article Alcoholic Beverages
- 21 18–102.
- This title applies only in Charles County.
- 23 **18–1606.**

- 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.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July29 28

1, 2022.