
By: Senator Della

Introduced and read first time: February 1, 1996

Assigned to: Economic and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City - Alcoholic Beverages - Restrictions on Individual Licensees**

3 FOR the purpose of authorizing the Board of License Commissioners for Baltimore City
4 to impose and enforce certain restrictions upon individual alcoholic beverages
5 licensees; specifying that these restrictions and the regulations for the enforcement
6 of these restrictions be in writing and comply with certain due process provisions
7 concerning notice and hearing; authorizing an alcoholic beverages licensee to create
8 a security interest in its license; and generally relating to the development of
9 restrictions and regulations for the enforcement of restrictions against individual
10 alcoholic beverages licensees by the Board of License Commissioners for Baltimore
11 City.

12 BY repealing and reenacting, with amendments,
13 Article 2B - Alcoholic Beverages
14 Section 10-501
15 Annotated Code of Maryland
16 (1994 Replacement Volume and 1995 Supplement)

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

19 **Article 2B - Alcoholic Beverages**

20 10-501.

21 (a) Licenses issued under provisions of this article shall not be regarded as
22 property or as conferring any property rights. All such licenses shall be subject to
23 suspension, restriction or revocation, and to all rules and regulations that may be adopted
24 as herein provided.

25 (b) (1) This subsection applies only in BALTIMORE CITY AND Prince George's
26 County.

27 (2) Licenses issued under this article are not subject to writ of execution by
28 a judgment creditor of a licensee nor are the licenses subject to a distraint for rent.

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1 (3) The Board of License Commissioners may impose restrictions upon
2 individual licensees to enable the Board to discharge the duties imposed upon it by this
3 article if:

4 (i) The Board develops written restrictions that are reasonable, clear,
5 and ascertainable; and

6 (ii) The Board develops written rules and regulations for the
7 enforcement of the restrictions that comply with the due process:

8 1. Providing notice; and

9 2. Providing a hearing.

10 (4) (i) A licensee may create a security interest in its license in favor of a
11 landlord or any creditor of the licensee. The security interest shall be perfected in
12 accordance with the Commercial Law Article of the Code.

13 (ii) The licensee shall deliver a copy of the underlying security
14 agreement that is signed by or on behalf of the individual or entity that holds the license.

15 (iii) Any transfer of a license pursuant to a security agreement shall be
16 subject to approval by the Board in the same manner as is any other license transfer
17 except that the written consent and cooperation of the existing licensee is not required.

18 (c) In Worcester County licenses issued under this article are not subject to writs
19 of execution by a judgment creditor of a licensee nor are these licenses subject to a
20 distraint for rent.

21 (d) In Howard County licenses issued under provisions of this article may not be:

22 (1) Regarded as property or as conferring any property rights;

23 (2) Subject to writs of execution by a judgment creditor of a licensee; or

24 (3) Subject to a distraint for rent.

25 (e) In Harford County, licenses issued under provisions of this article may not be
26 subject to:

27 (1) Writs of execution by a judgment creditor of a licensee;

28 (2) A distraint for rent; or

29 (3) Sale or transfer per se, unless the license accompanies the business to
30 which the license was issued.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 1996.