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By: **Prince George's County Delegation**  
Introduced and read first time: February 6, 2002  
Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Alcoholic Beverages - Restaurants Under**  
3 **Franchise or Licensing Agreements**  
4 **PG 304-02**

5 FOR the purpose of authorizing the Board of License Commissioners for Prince  
6 George's County to issue or transfer, in accordance with certain limitations, a  
7 Class B beer (on-sale) license or a Class B beer and wine (on-sale) license for  
8 use by a franchisee that operates a restaurant or by a person who operates a  
9 restaurant under a certain licensing agreement, regardless of whether the  
10 Board has issued or transferred certain other alcoholic beverages licenses to  
11 certain other franchisees or persons; making this Act inapplicable to restaurants  
12 in certain locations; defining a certain term; and generally relating to alcoholic  
13 beverages licenses in Prince George's County.

14 BY repealing and reenacting, without amendments,  
15 Article 2B - Alcoholic Beverages  
16 Section 9-217(a)  
17 Annotated Code of Maryland  
18 (1998 Replacement Volume and 2001 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article 2B - Alcoholic Beverages  
21 Section 9-217(f)  
22 Annotated Code of Maryland  
23 (1998 Replacement Volume and 2001 Supplement)

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

26 **Article 2B - Alcoholic Beverages**

27 9-217.

28 (a) This section applies only in Prince George's County.

1 (f) (1) (i) A person, whether acting on that person's behalf or on the  
2 behalf of another person or entity, corporation, association, partnership, limited  
3 partnership or other combination of persons (natural or otherwise) for whatever  
4 reason formed, may not have an interest in more than one license authorizing the  
5 retail or wholesale sale of alcoholic beverages.

6 (ii) An interest shall be conclusively presumed to exist between 2  
7 licensees or a licensee and an applicant for a license if any of the following conditions  
8 exist between them:

- 9 1. A franchise agreement;
- 10 2. A licensing agreement;
- 11 3. A concession agreement;
- 12 4. Where both are part of a chain of businesses commonly  
13 owned and operated and so portrayed to the public;
- 14 5. Any sharing of directors or stockholders or any sharing of  
15 directors or stockholders of parents or subsidiaries;
- 16 6. Common direct or indirect sharing of profit from the sale  
17 of alcoholic beverages; or
- 18 7. Sharing of a common trade name, trademark, logo or  
19 theme, or mode of operation identifiable by the public, except hotels and motels.

20 (iii) The Board of License Commissioners shall make  
21 determinations under this subsection without regard to whether a particular licensee  
22 or proposed licensee is or may be an independent contractor for purposes other than  
23 the application of this subsection.

24 (iv) A holder of a wholesale alcoholic beverages license is considered  
25 a licensee for purposes of this subsection and may not hold or have an interest,  
26 directly or indirectly, in an alcoholic beverages license of any class that authorizes  
27 retail sale of alcoholic beverages in Prince George's County.

28 (2) This subsection does not apply to licenses issued under the provisions  
29 of § 6-201(r)(2), (3), (5), (7), or (10), § 7-101, or § 8-505 of this article or to club  
30 licenses.

31 (3) Notwithstanding other provisions of this subsection or other  
32 provisions of this article, the Board of License Commissioners may permit an  
33 individual, partnership, or corporation to hold or have an interest in not more than  
34 four BH licenses.

35 (4) If the Board of License Commissioners determines after a hearing  
36 that an interest exists in more than one license, the Board shall refuse to issue a new

1 license or shall revoke an existing license, unless the license is operational and  
2 complied with law applicable at the time of its issuance.

3 (5) (i) This paragraph does not apply to a licensed premises located in  
4 a chain store, supermarket, discount house, drug store, or convenience store.

5 (ii) Notwithstanding any other provision of this article, the Board of  
6 License Commissioners may allow an individual, partnership, corporation,  
7 unincorporated association, or limited liability company to hold or have an interest in  
8 more than one Class B beer, wine and liquor license, if the restaurant for which the  
9 license is sought is located within any of the following areas that are underserved by  
10 restaurants:

11 1. Suitland business district, consisting of properties  
12 fronting on or having access to Silver Hill Road between Suitland Parkway and  
13 Sunset Lane, and on Suitland Road between Arnold Road and Eastern Lane;

14 2. Part of the Port Towns business district, consisting of  
15 properties fronting on or having access to Rhode Island Avenue, Bladensburg Road,  
16 Annapolis Road, or 38th Street, in legislative district 22; or

17 3. Largo area, consisting of properties within the area  
18 bounded by the Capital Beltway (I-495) on the west, Central Avenue and Landover  
19 Road on the south and southeast, Campus Way North on the east and Route 214 and  
20 Landover Road on the north and northwest.

21 (iii) 1. Except as provided in sub-subparagraphs 2 and 3 of this  
22 subparagraph, a license holder may not hold more than 4 Class B beer, wine and  
23 liquor licenses within all of the underserved areas described in subparagraph (ii) of  
24 this paragraph.

25 2. A license holder may be issued or transferred a fifth Class  
26 B beer, wine and liquor license only if the date of the application for the fifth license  
27 is at least 1 year after the date the license holder was issued or transferred the fourth  
28 license.

29 3. A license holder may be issued or transferred a sixth Class  
30 B beer, wine and liquor license only if the date of the application for the sixth license  
31 is at least 1 year after the date the license holder was issued or transferred the fifth  
32 license.

33 (iv) An individual, partnership, corporation, unincorporated  
34 association, or limited liability company that holds or has an interest in a license  
35 located in an underserved area described in subparagraph (ii) of this paragraph may  
36 not hold or have an interest in more than one license located outside of all the  
37 underserved areas.

38 (v) The annual license fee for a Class B license obtained under this  
39 paragraph is \$2,500.

1 (vi) A Class B license obtained under this paragraph does not confer  
2 off-sale privileges.

3 (vii) The residency requirements under § 9-101 of this title apply to  
4 an applicant for a Class B license under this paragraph.

5 (viii) The limit on the maximum number of Class B beer, wine and  
6 liquor licenses in the county under subsection (b) of this section applies to the  
7 issuance of licenses under this paragraph.

8 (6) (I) IN THIS PARAGRAPH, "BUSINESS LICENSING AGREEMENT"  
9 MEANS AN AGREEMENT THAT AUTHORIZES A PERSON, IN THE OPERATION OF A  
10 RESTAURANT, TO USE A TRADEMARK, TRADE NAME, OR OTHER IDENTIFYING  
11 SYMBOL OWNED BY A LICENSOR.

12 (II) THIS PARAGRAPH DOES NOT APPLY TO A RESTAURANT  
13 LOCATED IN A CHAIN STORE, SUPERMARKET, DISCOUNT HOUSE, DRUG STORE, OR  
14 CONVENIENCE STORE.

15 (III) IN ACCORDANCE WITH THE ALCOHOLIC BEVERAGES LICENSE  
16 QUOTA LIMITATIONS UNDER SUBSECTION (B) OF THIS SECTION, THE BOARD OF  
17 LICENSE COMMISSIONERS MAY ISSUE OR TRANSFER A CLASS B BEER (ON-SALE)  
18 LICENSE OR A CLASS B BEER AND WINE (ON-SALE) LICENSE FOR USE BY:

19 1. A FRANCHISEE WHO OPERATES A RESTAURANT UNDER A  
20 FRANCHISE AGREEMENT WITH A FRANCHISOR; OR

21 2. A PERSON WHO OPERATES A RESTAURANT UNDER A  
22 BUSINESS LICENSING AGREEMENT WITH A LICENSOR.

23 (IV) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION OR OTHER  
24 PROVISIONS OF THIS ARTICLE, THE BOARD MAY ISSUE OR TRANSFER A LICENSE  
25 UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH REGARDLESS OF WHETHER A  
26 CLASS B BEER (ON-SALE) LICENSE OR CLASS B BEER AND WINE (ON-SALE) LICENSE  
27 HAS BEEN ISSUED OR TRANSFERRED FOR USE BY:

28 1. ANOTHER FRANCHISEE OPERATING A RESTAURANT  
29 UNDER A FRANCHISE AGREEMENT WITH THE SAME FRANCHISOR; OR

30 2. ANOTHER PERSON OPERATING A RESTAURANT UNDER A  
31 BUSINESS LICENSING AGREEMENT WITH THE SAME LICENSOR.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 June 1, 2002.