
By: **Delegates Cane, Bozman, Conway, Eckardt, Elmore, and Haddaway**
Introduced and read first time: February 6, 2004
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Wicomico County - Alcoholic Beverages Licenses - Security Interests**

3 FOR the purpose of providing that an alcoholic beverages license issued in Wicomico
4 County may not be subject to a certain writ of execution or a distraint for rent;
5 and generally relating to security interests in alcoholic beverages licenses in
6 Wicomico County.

7 BY repealing and reenacting, with amendments,
8 Article 2B - Alcoholic Beverages
9 Section 10-501
10 Annotated Code of Maryland
11 (2001 Replacement Volume and 2003 Supplement)

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

14 **Article 2B - Alcoholic Beverages**

15 10-501.

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

20 (b) (1) This subsection applies only in Prince George's County.

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

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

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

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

3 1. Providing notice; and

4 2. Providing a hearing.

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

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

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

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

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

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

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

22 (3) Subject to a distraint for rent.

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

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

26 (2) A distraint for rent; or

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

29 (F) IN WICOMICO COUNTY A LICENSE ISSUED UNDER THIS ARTICLE MAY NOT
30 BE SUBJECT TO:

31 (1) A WRIT OF EXECUTION BY A JUDGMENT CREDITOR OF A LICENSEE;
32 OR

33 (2) A DISTRAINT FOR RENT.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2004.