

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 782

(Delegate Cane, *et al.*)

Economic Matters

Education, Health, and Environmental
Affairs

Wicomico County - Alcoholic Beverages Licenses - Security Interests

This bill provides that an alcoholic beverages license in Wicomico County may not be subject to a writ of execution by a judgment creditor of a licensee or a distraint for rent.

The bill takes effect June 1, 2004.

Fiscal Summary

State Effect: None.

Local Effect: Wicomico County finances would not be affected.

Small Business Effect: Potential meaningful. Wicomico County's 161 licensed alcoholic beverages establishments would benefit from protection against court decisions to award an alcoholic beverages license to creditors to satisfy debts or unpaid rent.

Analysis

Current Law: Generally, alcoholic beverages licenses may not be considered to be property or to confer any property rights. In Harford, Howard, and Prince George's counties, in addition to other provisions, an alcoholic beverages license is not subject to a writ of execution by a judgment creditor of a licensee or a distraint for rent.

Background: Distraint is generally defined as the right of a landlord to seize the property of a tenant in the premises being rented as collateral against a tenant that has not

paid the rent or has otherwise defaulted on the lease. Wicomico County advises that judicial decisions have awarded alcoholic beverages licenses issued in Wicomico County to creditors of alcoholic beverages licensees.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Wicomico County, Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2004
n/jr

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