

HOUSE BILL 866

A1, Q4

9lr0839

By: **Delegates Holmes, Barkley, Beidle, McConkey, Niemann, and Sophocleus**
Introduced and read first time: February 12, 2009
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: April 3, 2009

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages – Issuance, Renewal, and Transfer of Licenses and**
3 **Permits – Payment of State and Local Taxes**

4 FOR the purpose of requiring, before an alcoholic beverages license or permit may be
5 issued, the applicant to provide certain verification to the authority issuing the
6 license or permit that the applicant has paid all undisputed taxes or has
7 provided for payment in a certain manner; requiring that an application be
8 disapproved under certain circumstances; requiring that before an alcoholic
9 beverages license or permit may be renewed ~~or transferred~~, the authority
10 renewing ~~or approving the transfer of~~ the license or permit verify in a certain
11 manner that the holder of the license or permit has paid all undisputed taxes or
12 has provided for payment in a certain manner; prohibiting a license-issuing
13 authority from renewing ~~or approving the transfer of~~ a license or permit under
14 certain circumstances; authorizing a certain board of license commissioners to
15 approve the transfer of a license but condition the actual issuance of the license
16 to the transferee on verification of certain payments; repealing a certain
17 condition required to be met by the holder of a license with respect to the
18 transfer of the holder's place of business to another location and assignment of
19 the holder's license and transfer of the holder's stock in trade to another person;
20 providing for the application of this Act in certain political subdivisions; and
21 generally relating to applicants and holders of alcoholic beverages licenses and
22 permits.

23 BY repealing and reenacting, with amendments,
24 Article 2B – Alcoholic Beverages
25 Section 10-202(a)(2)(ii), 10-301(a)(1)(ii)4., and 10-503(a)(2)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland
2 (2005 Replacement Volume and 2008 Supplement)

3 BY adding to
4 Article 2B – Alcoholic Beverages
5 Section 10–202.1 and 10–301.1
6 Annotated Code of Maryland
7 (2005 Replacement Volume and 2008 Supplement)

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

10 **Article 2B – Alcoholic Beverages**

11 10–202.

12 (a) (2) (ii) The application shall be disapproved and the license for
13 which application is made shall be refused if the Board of License Commissioners for
14 the City or any county determines that:

15 1. The granting of the license is not necessary for the
16 accommodation of the public;

17 2. The applicant is not a fit person to receive the license
18 for which application is made;

19 3. The applicant has made a material false statement in
20 his application;

21 4. The applicant has practiced fraud in connection with
22 the application;

23 5. The operation of the business, if the license is
24 granted, will unduly disturb the peace of the residents of the neighborhood in which
25 the place of business is to be located; [or]

26 **6. ~~THE VERIFICATION REQUIRED UNDER THE~~**
27 **APPLICANT HAS NOT COMPLIED WITH § 10–202.1 OF THIS SUBTITLE HAS NOT**
28 **~~BEEN PROVIDED; OR~~**

29 [6.] 7. There are other reasons, in the discretion of the
30 board, why the license should not be issued.

31 **10–202.1.**

1 **(A) ~~BEFORE~~ EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS**
2 **SECTION, BEFORE A LICENSE OR PERMIT MAY BE ISSUED UNDER THIS ARTICLE,**
3 **THE APPLICANT SHALL PROVIDE VERIFICATION FROM THE COMPTROLLER AND**
4 **THE POLITICAL SUBDIVISION WHERE THE ESTABLISHMENT FOR WHICH THE**
5 **LICENSE IS SOUGHT IS LOCATED TO THE AUTHORITY ISSUING THE LICENSE OR**
6 **PERMIT THAT THE APPLICANT HAS:**

7 **(1) PAID ALL UNDISPUTED TAXES PAYABLE TO THE**
8 **COMPTROLLER AND THE POLITICAL SUBDIVISION WHERE THE ESTABLISHMENT**
9 **FOR WHICH THE LICENSE IS SOUGHT IS LOCATED; OR**

10 **(2) PROVIDED FOR PAYMENT OF THE TAXES DESCRIBED IN ITEM**
11 **(1) OF THIS SECTION IN A MANNER SATISFACTORY TO THE GOVERNMENTAL**
12 **UNIT RESPONSIBLE FOR COLLECTION.**

13 **(B) THE BOARD OF LICENSE COMMISSIONERS FROM WHOM APPROVAL**
14 **OF THE TRANSFER AND ISSUANCE OF A LICENSE IS SOUGHT MAY APPROVE THE**
15 **TRANSFER BUT CONDITION THE ACTUAL ISSUANCE OF THE LICENSE TO THE**
16 **TRANSFeree ON VERIFICATION:**

17 **(1) OF PAYMENT OF ALL UNDISPUTED TAXES PAYABLE TO THE**
18 **COMPTROLLER AND THE POLITICAL SUBDIVISION WHERE THE ESTABLISHMENT**
19 **FOR WHICH THE LICENSE IS SOUGHT IS LOCATED; OR**

20 **(2) THAT PAYMENT OF THE TAXES DESCRIBED IN ITEM (1) OF**
21 **THIS SUBSECTION HAS BEEN PROVIDED FOR IN A MANNER SATISFACTORY TO**
22 **THE GOVERNMENTAL UNIT RESPONSIBLE FOR COLLECTION.**

23 **(C) THIS SECTION DOES NOT APPLY IN A POLITICAL SUBDIVISION IF A**
24 **LAW OR A REGULATION OF THE LIQUOR CONTROL BOARD OF THE POLITICAL**
25 **JURISDICTION THAT IS AT LEAST AS RESTRICTIVE AS THE VERIFICATION**
26 **REQUIREMENTS OF THIS SECTION HAS BEEN ENACTED UNDER THIS ARTICLE OR**
27 **ADOPTED BY THE BOARD.**

28 10-301.

29 (a) (1) (ii) 4. Upon the filing of the renewal application, [and] upon
30 payment of the annual fee, **AND UPON COMPLIANCE WITH § 10-301.1 OF THIS**
31 **SUBTITLE**, the holder of the expiring license is entitled to a new license for another
32 year without the filing of further statements or the furnishing of any further
33 information unless specifically requested by the official authorized to approve the
34 license.

35 **10-301.1.**

1 (A) BEFORE A LICENSE OR PERMIT MAY BE RENEWED ~~OR~~
2 ~~TRANSFERRED~~ UNDER THIS ARTICLE, THE AUTHORITY RENEWING ~~OR~~
3 ~~APPROVING THE TRANSFER OF~~ THE LICENSE OR PERMIT SHALL VERIFY:

4 (1) (I) THROUGH THE OFFICE OF THE COMPTROLLER, THAT
5 THE CURRENT HOLDER OF THE LICENSE OR PERMIT HAS PAID ALL UNDISPUTED
6 TAXES PAYABLE TO THE COMPTROLLER; AND

7 (II) THROUGH THE POLITICAL SUBDIVISION WHERE THE
8 LICENSED ESTABLISHMENT IS LOCATED, THAT THE CURRENT HOLDER OF THE
9 LICENSE OR PERMIT HAS PAID ALL UNDISPUTED TAXES PAYABLE TO THE
10 POLITICAL SUBDIVISION; OR

11 (2) THAT THE HOLDER OF THE LICENSE OR PERMIT HAS
12 PROVIDED FOR PAYMENT OF THE TAXES DESCRIBED IN ITEM (1) OF THIS
13 SUBSECTION IN A MANNER SATISFACTORY TO THE GOVERNMENTAL UNIT
14 RESPONSIBLE FOR COLLECTION.

15 (B) IF THE INFORMATION PROVIDED TO THE LICENSE-ISSUING
16 AUTHORITY STATES THAT THE CURRENT HOLDER OWES UNDISPUTED TAXES
17 AND HAS NOT PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE
18 GOVERNMENTAL UNIT RESPONSIBLE FOR COLLECTION, THE AUTHORITY
19 ISSUING THE LICENSE OR PERMIT MAY NOT RENEW ~~OR APPROVE THE TRANSFER~~
20 ~~OF~~ THE LICENSE OR PERMIT.

21 (C) NOTWITHSTANDING § 10-503(A)(2)(V) OF THIS TITLE, THIS
22 SECTION DOES NOT APPLY IN A POLITICAL SUBDIVISION IF A LAW OR A
23 REGULATION OF THE LIQUOR CONTROL BOARD OF THE POLITICAL
24 JURISDICTION THAT IS AT LEAST AS RESTRICTIVE AS THE VERIFICATION
25 REQUIREMENTS OF THIS SECTION HAS BEEN ENACTED UNDER THIS ARTICLE OR
26 ADOPTED BY THE BOARD.

27 10-503.

28 (a) (2) Any holder of a license under this article, including a receiver or
29 trustee for the benefit of creditors, may be permitted to transfer the holder's place of
30 business to some other location or sell or assign the license and transfer the holder's
31 stock in trade to another person, but only if:

32 (i) An application for the transfer or sale has been made;

33 (ii) ~~All retail sales, amusement, admission, and withholding~~
34 ~~taxes have been paid to the Comptroller of the Treasury of the State;~~

1 ~~(iii)~~ **(II)** A bulk transfer permit is obtained if the stock of
2 alcoholic beverages is to be transferred whether by sale, gift, inheritance, assignment,
3 or otherwise, and irrespective of whether or not consideration is paid; ~~and~~

4 ~~(iv)~~ **(III)** The new location or assignee is approved by the board
5 as in the case of an original application for such a license under § 10-202 of this title;
6 ~~AND~~

7 ~~(v)~~ ~~THE PROVISIONS OF § 10-301.1 OF THIS TITLE HAVE~~
8 ~~BEEN MET.~~

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2009.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.