

HOUSE BILL 1037

A2

9lr0488

By: **Prince George's County Delegation**

Introduced and read first time: February 13, 2009

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 11, 2009

CHAPTER _____

1 AN ACT concerning

2 **Prince George's County – Alcoholic Beverages Licenses – Successor**
3 **Corporations**

4 **PG 301-09**

5 FOR the purpose of specifying that in Prince George's County, if a certain number of
6 corporations with interests in certain alcoholic beverages licenses undergo a
7 merger, consolidation, or share exchange that results in a single successor
8 corporation, the total number of licenses that the successor corporation may
9 hold is the greater of certain alternatives; specifying that an indirect interest in
10 a license is evidenced by certain relationships; exempting this Act from a
11 restriction on the number of licenses that may be issued to a person; and
12 generally relating to alcoholic beverages licenses in Prince George's County.

13 BY adding to

14 Article 2B – Alcoholic Beverages

15 Section 8-217(e)

16 Annotated Code of Maryland

17 (2005 Replacement Volume and 2008 Supplement)

18 BY repealing and reenacting, with amendments,

19 Article 2B – Alcoholic Beverages

20 Section 9-102(a)

21 Annotated Code of Maryland

22 (2005 Replacement Volume and 2008 Supplement)

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

3 **Article 2B – Alcoholic Beverages**

4 8–217.

5 (E) (1) IN PRINCE GEORGE’S COUNTY, IF TWO CORPORATIONS WITH
6 DIRECT OR INDIRECT INTERESTS IN ALCOHOLIC BEVERAGES LICENSES FOR
7 USE BY RESTAURANTS UNDERGO A MERGER, CONSOLIDATION, OR SHARE
8 EXCHANGE THAT RESULTS IN A SINGLE SUCCESSOR CORPORATION, THE TOTAL
9 NUMBER OF ALCOHOLIC BEVERAGES LICENSES THAT THE SUCCESSOR
10 CORPORATION MAY HOLD IS THE GREATER OF:

11 (I) THE SUM OF THE LICENSES HELD BY EACH
12 CORPORATION BEFORE THE SUCCESSOR CORPORATION WAS FORMED; OR

13 (II) THE MAXIMUM NUMBER OF LICENSES ANY ONE OF THE
14 CORPORATIONS WAS ENTITLED TO BE ISSUED BEFORE THE SUCCESSOR
15 CORPORATION WAS FORMED.

16 (2) AN INDIRECT INTEREST IN A LICENSE IS EVIDENCED BY ANY
17 OF THE FOLLOWING RELATIONSHIPS INVOLVING THE LICENSEE AND ANOTHER
18 LICENSEE OR THE LICENSEE AND AN APPLICANT FOR A LICENSE:

19 (I) A COMMON PARENT COMPANY;

20 (II) A FRANCHISE AGREEMENT;

21 (III) A LICENSING AGREEMENT;

22 (IV) A CONCESSION AGREEMENT;

23 (V) MEMBERSHIP BY THE LICENSEE AND THE OTHER
24 PERSON IN A CHAIN OF BUSINESSES COMMONLY OWNED AND OPERATED AND SO
25 PORTRAYED TO THE PUBLIC;

26 (VI) SHARING OF DIRECTORS OR STOCKHOLDERS OR
27 SHARING OF DIRECTORS OR STOCKHOLDERS OF PARENT COMPANIES OR
28 SUBSIDIARIES;

29 (VII) COMMON DIRECT OR INDIRECT SHARING OF PROFIT
30 FROM THE SALE OF ALCOHOLIC BEVERAGES; OR

1 (VIII) SHARING OF A COMMON TRADE NAME, TRADEMARK,
2 LOGO, THEME, OR MODE OF OPERATION IDENTIFIABLE BY THE PUBLIC, EXCEPT
3 HOTELS AND MOTELS.

4 9-102.

5 (a) No more than one license provided by this article, except by way of
6 renewal or as otherwise provided in this section, shall be issued in any county or
7 Baltimore City, to any person, or for the use of any partnership, corporation,
8 unincorporated association, or limited liability company, in Baltimore City or any
9 county of the State, and no more than one license shall be issued for the same
10 premises except as provided in §§ 2-201 through 2-208, 2-301, and 6-701 of this
11 article, and nothing herein shall be construed to apply to § 6-201(r)(4), (15), and (17), §
12 7-101(b) and (c), § 8-202(g)(2)(ii) and (iii), § **8-217(E)**, § 8-508, or § 12-202 of this
13 article.

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.