

HOUSE BILL 960

A2

4r2827
CF SB 1025

By: **Montgomery County Delegation**

Introduced and read first time: February 6, 2014

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 2014

CHAPTER _____

1 AN ACT concerning

2 **Montgomery County – Alcoholic Beverages – Residency Requirement**
3 **~~Exemption~~**

4 **MC 22-14**

5 FOR the purpose of ~~exempting~~ providing that in Montgomery County ~~from~~ certain
6 provisions of law requiring that a partner in a partnership for which an
7 application for an alcoholic beverages license is made or an applicant for an
8 alcoholic beverages license be a resident in the County for a certain number of
9 years before the application is filed may be satisfied by residency in certain
10 jurisdictions; providing that the requirement that certain officers of a
11 corporation or club, or an authorized person applying on behalf of a limited
12 liability company for an alcoholic beverages license in the County be registered
13 voters of and reside in the County may be satisfied by residency in certain
14 jurisdictions; and generally relating to alcoholic beverages licenses in
15 Montgomery County.

16 BY repealing and reenacting, with amendments,
17 Article 2B – Alcoholic Beverages
18 Section 9-101(a), (b), and (c)(1) and 10-103(b)(4)
19 Annotated Code of Maryland
20 (2011 Replacement Volume and 2013 Supplement)

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

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.



Article 2B – Alcoholic Beverages

9–101.

(a) A license may not be issued to a partnership, to a corporation, or to a limited liability company, but only to individuals authorized to act for a partnership, corporation, or limited liability company who shall assume all responsibilities as individuals, and be subject to all of the penalties, conditions and restrictions imposed upon licensees under the provisions of the Tax – General Article that relate to the alcoholic beverage tax and the provisions of this article. If the application is made for a partnership, the license shall be applied for and be issued to all the partners as individuals, [all of whom] **AND, EXCEPT IN MONTGOMERY COUNTY, ALL THE PARTNERS** shall have resided in the city or county in which the place of business is located for at least 2 years prior to the application.

(1) (i) In Montgomery County, if the application is made for a partnership, the license shall be applied for and issued to at least 2 general partners as individuals, at least one of whom ~~is a registered voter of the county where the application is made and resides there~~ **RESIDES IN THE STATE, IN THE DISTRICT OF COLUMBIA, OR IN NORTHERN VIRGINIA** at the time of the application. If there is only one general partner, the license shall be issued to that partner as an individual, if that partner ~~is a registered voter of the county where the application is made and resides there~~ **RESIDES IN THE STATE, IN THE DISTRICT OF COLUMBIA, OR IN NORTHERN VIRGINIA** at the time of application.

(ii) 1. In Baltimore County, if the application is made for a partnership, the license shall be applied for and issued to at least two general partners as individuals, at least one of whom is a registered voter of any county of the State or of the City of Baltimore and resides there at the time of application.

2. If there is only one general partner, the Board of License Commissioners shall issue the license to that partner as an individual, if the partner is a registered voter of any county or of the City of Baltimore and resides there at the time of the application.

3. The provisions of this subparagraph may not be construed to waive any of the requirements under §§ 9–102, 9–102.2, and 9–301 of this article.

(2) In Harford County, the applicant shall be a bona fide resident of Harford County for at least 1 year before filing the application and shall remain a resident as long as the license is in effect. The applicant is not required to be a registered voter.

1 (3) In Prince George's County, if an application is made for a sole
2 proprietorship or partnership, the license shall be applied for and issued to all
3 partners as individuals, all of whom shall have resided in Prince George's County for
4 at least 2 years prior to the application, are registered voters in Prince George's
5 County, and shall continue to be bona fide residents of Prince George's County as long
6 as the license is in effect.

7 (4) (i) 1. In Frederick County, if an alcoholic beverages license
8 application is made for a partnership, the license shall be applied for and issued to 3
9 individuals.

10 2. None of the 3 individuals need to be partners.
11 However, all 3 individuals shall be authorized in writing to act for the partnership by
12 making application for and becoming holders of the license for partnership.

13 3. Of the 3 individuals, 1 shall be a registered voter at
14 the time of application and prior thereto and be a resident of Frederick County for at
15 least 2 years prior to making application.

16 4. The names of all of the partners shall be stated on the
17 application.

18 (ii) If a corporation, partnership, or limited liability company is
19 a partner of the partnership for which application is being made, the applicants shall
20 state on the application:

21 1. The name of any owner of more than 33 percent of the
22 stock in the corporate partner;

23 2. The name of any owner of more than 33 percent of
24 ownership interest of the partnership partner; or

25 3. The name of any member with more than a 33 percent
26 interest in the limited liability company partner.

27 (5) (i) This paragraph (5) applies only to licenses issued by the
28 State Comptroller.

29 (ii) If a license application is made for a partnership, the license
30 shall be issued to three individuals, each of whom shall qualify as follows:

31 1. An individual general partner; or

32 2. When a general partner is a corporation, an officer of
33 the corporation as an individual.

1 (iii) If less than three general partners or corporate officers exist,
2 then a license may be issued to all of the general partners or officers qualified under
3 subparagraph (ii)2 of this paragraph.

4 (iv) In each instance under this paragraph, at least one of the
5 applicants shall be:

6 1. A resident of the State for at least 2 years preceding
7 the filing of the applications; and

8 2. A registered voter of the State.

9 (v) This paragraph may not be construed to waive any of the
10 requirements under § 9–102 of this article.

11 (6) (i) This paragraph applies only in Wicomico County.

12 (ii) 1. If a stadium beer and light wine license application is
13 made for a partnership, the license shall be applied for and issued to three individuals.

14 2. None of the three individuals need be partners.
15 However, all three individuals shall be authorized in writing to act for the partnership
16 by making application for and becoming holders of the license for the partnership.

17 3. Of the three individuals, one shall be a registered
18 voter at the time of application and for 1 year prior to then and be a resident of
19 Wicomico County for at least 2 years prior to making application.

20 4. The names of all of the partners shall be stated on the
21 application.

22 (iii) If a corporation, partnership, or limited liability company is
23 a partner of the partnership for which application is being made, the applicants shall
24 state on the application:

25 1. The name of any owner of more than 33 percent of the
26 stock in the corporate partner;

27 2. The name of any owner of more than 33 percent of
28 ownership interest of the partnership partner; or

29 3. The name of any member with more than 33 percent
30 interest in the limited liability company partner.

31 (b) (1) If the application is made for a corporation, or a club, whether
32 incorporated or unincorporated, the license shall be applied for by and be issued to
33 three of the officers of that corporation or club, as individuals, for the use of the

1 corporation or club, at least one of whom shall be a registered voter and taxpayer of
2 the county or city, or State of Maryland when the application is filed with the
3 Comptroller, and shall also have resided therein, at least two years prior to the
4 application.

5 **(2) (I)** The application shall also set forth the names and addresses
6 of all of the officers of the corporation or club and shall be signed by the president or
7 vice president, as well as by three officers to whom the license shall be issued.

8 **(II)** The application for every license shall disclose the name and
9 address of the corporation, partnership or association, as well as the name and
10 address of the applicant.

11 **(III)** For an application for any Class E, Class F or Class G
12 license, the application may be made by any three officers or employees residing in
13 this State, duly authorized by the corporation to apply for the license.

14 **(3) (I)** The provisions of this subsection with reference to an
15 applicant being a registered voter, taxpayer or resident of the State of Maryland do not
16 apply when three principal officers of a corporation make application for a Class G
17 license.

18 **(II)** **IN MONTGOMERY COUNTY, AN APPLICANT UNDER THIS**
19 **SECTION MAY MEET THE RESIDENCY REQUIREMENT BY RESIDING ANYWHERE IN**
20 **THE STATE, IN THE DISTRICT OF COLUMBIA, OR IN NORTHERN VIRGINIA.**

21 **(4)** This section does not apply to “racetrack licenses” or to “beach and
22 amusement park licenses” issued in Anne Arundel County.

23 **(5) (I)** In the case of a corporation where there are less than three
24 officers or directors of the corporation, all officers or directors shall make the
25 application as provided in this section.

26 **(II)** In the event there are no officers or directors of a close
27 corporation, at least one stockholder may make the application as provided in this
28 section, if there is an affirmative vote of the stockholders holding a majority of the
29 stock.

30 **(c) (1) (i)** Except as provided in subparagraph (ii) of this paragraph, if
31 the application is made for a limited liability company, the license shall be applied for
32 by and be issued to 3 of the authorized persons of that limited liability company, as
33 individuals, for the use of the limited liability company, at least 1 of whom shall be a
34 registered voter and taxpayer of the county or city, or the State when the application
35 is filed with the Comptroller, and shall also have resided there at least 2 years before
36 the application.

1 (ii) **1.** In Baltimore City, an authorized person of a limited
 2 liability company who holds an alcoholic beverages license for the use of the limited
 3 liability company that was granted on or before June 1, 2012, need not be a registered
 4 voter in Baltimore City.

5 **2.** IN MONTGOMERY COUNTY, AN AUTHORIZED
 6 PERSON WHO HOLDS AN ALCOHOLIC BEVERAGES LICENSE FOR THE USE OF THE
 7 LIMITED LIABILITY COMPANY MAY MEET THE RESIDENCY REQUIREMENT BY
 8 RESIDING ANYWHERE IN THE STATE, IN THE DISTRICT OF COLUMBIA, OR IN
 9 NORTHERN VIRGINIA.

10 10–103.

11 (b) Except as otherwise provided in this subtitle, every new application for a
 12 license shall be made to the Board of License Commissioners on forms prescribed by
 13 the Comptroller and sworn to by the applicant. Every application for a license shall
 14 contain the following:

15 (4) (i) Except as provided in subparagraphs (iii) [and], (v), AND
 16 **(VI)** of this paragraph, a statement that the applicant has been for two years next
 17 preceding the filing of the application a resident of the county or of the City of
 18 Baltimore in which the applicant proposes to operate under the license applied for.

19 (ii) The Board of License Commissioners of Prince George’s
 20 County shall apply the residency requirements as specified in § 9–101 of this article.

21 (iii) In Dorchester County the residency requirement is 1 year.

22 (iv) In Carroll County, in addition to the applicant’s residential
 23 statement required under this section, the license shall remain valid only for as long
 24 as the resident applicant remains a resident of the county.

25 (v) In Baltimore County, a statement that the applicant has
 26 been for 2 years next preceding the filing of the application a resident of the State is
 27 required.

28 **(VI) ~~THIS PARAGRAPH DOES NOT APPLY~~ AN APPLICANT FOR**
 29 **A LICENSE ISSUED IN MONTGOMERY COUNTY MAY MEET THE RESIDENCY**
 30 **REQUIREMENT BY RESIDING ANYWHERE IN THE STATE, IN THE DISTRICT OF**
 31 **COLUMBIA, OR IN NORTHERN VIRGINIA.**

32 [(vi)] **(VII)** An applicant for a license issued in the City of
 33 Annapolis may meet the residency requirement by residing anywhere in Anne Arundel
 34 County.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2014.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.