

Department of Legislative Services  
Maryland General Assembly  
2014 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 1170  
Economic Matters

(Harford County Delegation)

Education, Health, and Environmental Affairs

---

Harford County - Alcoholic Beverages - Residency Requirements

---

This bill alters specified residency requirements for certain business entities applying for alcoholic beverages licenses in Harford County and repeals certain residency requirements for alcoholic beverages licensees in Harford County.

The bill takes effect July 1, 2014.

---

Fiscal Summary

**State Effect:** None.

**Local Effect:** The bill is not expected to materially affect Harford County operations or finances.

**Small Business Effect:** Minimal.

---

Analysis

**Bill Summary:** The bill specifies that an applicant for a Class B restaurant or Class D tavern license who is acting on behalf of a partnership, an association, a limited liability company, a sole proprietorship, or a club or corporation, whether incorporated or unincorporated, must be a resident of the State for at least one year before filing the application, must remain a resident as long as the license is in effect, and must reside within a 100-mile radius of the Town of Bel Air. An applicant acting on behalf of these same specified business entities and applying for any other alcoholic beverages license must be a resident of Harford County for at least one year before filing the application, must remain a resident as long as the license is in effect, and must reside within a 100-mile radius of the Town of Bel Air.

The bill also requires that in Harford County, in addition to other specified requirements, one of the applicants must be a responsible operator of the licensed establishment who has been a resident of the State for at least one year and remains a resident as long as the license is in effect and must reside within a 100-mile radius of the Town of Bel Air. A responsible operator must own at least 25% of the total business, except for an applicant for a Class B (beer, wine, and liquor) license.

**Current Law:** 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 are required to 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 other specified provisions of law. If the application is made for a partnership, the license must be applied for by and be issued to all the partners as individuals, all of whom must have resided in the city or county in which the place of business is located for at least two years prior to the application.

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

In Harford County, if an application is made for a corporation, whether incorporated or unincorporated or for a limited liability company, the application for the license must be applied for by and be issued to three of the officers holding a pecuniary interest in the corporation or three of the authorized persons holding a pecuniary interest in the limited liability company, as individuals, for the use of the corporation or limited liability company, as the case may be. In addition to these provisions, one of the applicants must be a bona fide resident of the county and the license remains valid only as long as the resident applicant remains a resident of the county.

A resident applicant must (1) own at least 25% of the total business, except that in the case of an applicant for a Class B (beer, wine, and liquor) license, the resident applicant must own at least 10% of the total business; (2) serve as manager or supervisor; and (3) be physically present on the premises a substantial amount of time on a daily basis. These requirements relating to resident applicants apply to any license issued or transferred after July 1, 1984.

**Background:** In fiscal 2013, there were 30 Class B beer and wine licensees; 82 Class B beer, wine, and liquor licenses; and 7 Class D beer, wine, and liquor licenses in Harford County.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 27, 2014  
mc/lgc Revised - House Third Reader - March 18, 2014

---

Analysis by: Michael Sanelli

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510