

Chapter 497

(Senate Bill 1177)

AN ACT concerning

**Harford County – Alcoholic Beverages – ~~Interest in More Than One License~~  
Common Direct or Indirect Sharing of Profit**

FOR the purpose of ~~specifying that a percentage rent provision in a commercial lease does not constitute an interest in an alcoholic beverages license in Harford County;~~ repealing in Harford County a provision of law stating that a condition of a common direct or indirect sharing between certain persons of profit from the sale of alcoholic beverages gives rise to a presumption of indirect ownership interest in an alcoholic beverages license; and generally relating to alcoholic beverages in Harford County.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages  
Section 22–102 and 22–1501  
Annotated Code of Maryland  
(2016 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages  
Section 22–1503  
Annotated Code of Maryland  
(2016 Volume and 2016 Supplement)

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

**Article – Alcoholic Beverages**

22–102.

This title applies only in Harford County.

22–1501.

(a) The following sections of Title 4, Subtitle 2 (“Issuance or Denial of Local Licenses”) of Division I of this article apply in the county without exception or variation:

- (1) § 4–205 (“Chain store, supermarket, or discount house”);
- (2) § 4–206 (“Limitations on retail sales floor space”);
- (3) § 4–207 (“Licenses issued to minors”);

- (4) § 4-209 (“Hearing”);
- (5) § 4-213 (“Replacement licenses”); and
- (6) § 4-214 (“Waiting periods after denial of license applications”).

(b) The following sections of Title 4, Subtitle 2 (“Issuance or Denial of Local Licenses”) of Division I of this article apply in the county:

(1) § 4-202 (“Authority of local licensing boards”), subject to § 22-1502 of this subtitle;

(2) § 4-203 (“Prohibition against issuing multiple licenses to individual or for use of entity”), subject to §§ 22-1503 and 22-1504 of this subtitle and Subtitle 13, Part III and Subtitle 16, Part II of this title;

(3) § 4-204 (“Prohibition against issuing multiple licenses for same premises”), subject to §§ 22-1503 and 22-1504 of this subtitle and Subtitle 13, Part III of this title;

(4) § 4-208 (“Notice of license application required”), subject to § 22-1505 of this subtitle;

(5) § 4-210 (“Approval or denial of license application”), subject to §§ 22-1506 and 22-1507 of this subtitle;

(6) § 4-211 (“License forms; effective date; expiration”), subject to § 22-1508 of this subtitle; and

(7) § 4-212 (“License not property”), in addition to § 22-1509 of this subtitle.

22-1503.

(a) (1) Except as otherwise provided in this title, a person may not have interest in more than one license.

(2) Paragraph (1) of this subsection applies whether the license is held or controlled by direct or indirect ownership, by franchise operation, by stock ownership, by interlocking directors or interlocking stock ownership, or in any other manner, directly or indirectly.

(b) Under subsection (a) of this section, an indirect ownership interest is presumed to exist between any combination of individuals, corporations, limited liability

companies, partnerships, limited partnerships, joint ventures, associations, or other persons if any of the following conditions exist between them:

- (1) a common parent company;
- (2) a franchise agreement;
- (3) a licensing agreement;
- (4) a concession agreement;
- (5) dual membership in a chain of businesses commonly owned and operated;
- (6) a sharing of directors, stockholders, partners, or members, or a sharing of directors, stockholders, partners, or members of parents or subsidiaries; **OR**
- (7) ~~common direct or indirect sharing of profit from the sale of alcoholic beverages; or~~
- (8) a sharing of a common trade name, trademark, logo, or theme, or mode of operation identifiable by the public.

~~(C) A PERCENTAGE RENT PROVISION IN A COMMERCIAL LEASE DOES NOT CONSTITUTE AN INTEREST IN A LICENSE.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

**Approved by the Governor, May 4, 2017.**