

HOUSE BILL 638

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CF SB 143

By: **Delegates Bartlett and Chang**

Introduced and read first time: January 29, 2020

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Anne Arundel County – Alcoholic Beverages – License Application Subject to**
3 **Creditor Claim**

4 FOR the purpose of limiting the types of creditor claims for which the Board of License
5 Commissioners for Anne Arundel County is required to adhere to certain guidelines
6 before approving certain related license applications; authorizing the Board to
7 approve an application for the transfer or issuance of a license that is subject to a
8 certain claim by a creditor under certain circumstances; and generally relating to
9 the transfer or issuance of a license subject to a creditor claim.

10 BY repealing and reenacting, without amendments,
11 Article – Alcoholic Beverages
12 Section 11–102
13 Annotated Code of Maryland
14 (2016 Volume and 2019 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Alcoholic Beverages
17 Section 11–1702
18 Annotated Code of Maryland
19 (2016 Volume and 2019 Supplement)

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

22 **Article – Alcoholic Beverages**

23 11–102.

24 This title applies only in Anne Arundel County.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 11-1702.

2 (a) (1) Subject to subsection (b) of this section, the Board may not approve an
3 application for the transfer of a license unless:

4 (i) all obligations of the transferor pertaining to the licensed
5 establishment have been paid; or

6 (ii) an arrangement concerning debts and obligations satisfactory to
7 the transferor's creditors has been made.

8 (2) Paragraph (1) of this subsection also applies to approval of an
9 application for a new license if the Board believes that the application is being used to avoid
10 provisions regarding the transfer of a license.

11 (b) (1) The Board is not bound by subsection (a) of this section unless:

12 [(1)] (I) a creditor submits a claim, under affidavit, to the Board before
13 the hearing held on the transfer; and

14 [(2)] (II) the claim involves an indebtedness incurred [in the operation of]
15 **THROUGH THE PURCHASE OR SALE OF ALCOHOLIC BEVERAGES IN CONNECTION**
16 **WITH** the licensed premises.

17 (2) **IF THE BOARD DETERMINES THAT A PROPERLY FILED CLAIM IS**
18 **OUTSIDE THE EXPERTISE OF THE BOARD, THE BOARD MAY APPROVE AN**
19 **APPLICATION FOR THE TRANSFER OF A LICENSE OR AN APPLICATION FOR A NEW**
20 **LICENSE IF THERE IS:**

21 (I) **AN AMICABLE RESOLUTION OF THE CLAIM; OR**

22 (II) **A JUDICIAL DETERMINATION ON THE CLAIM.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2020.