

SENATE BILL 384

A2

0lr3284
CF 0lr1186

By: **Harford County Senators**

Introduced and read first time: January 27, 2020

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable

Senate action: Adopted

Read second time: March 5, 2020

CHAPTER _____

1 AN ACT concerning

2 **Harford County – Alcoholic Beverages – License Holders – Requirements**

3 FOR the purpose of altering certain requirements for applicants for certain alcoholic
4 beverages licenses in Harford County; repealing certain residency requirements for
5 applicants for certain alcoholic beverages licenses in the county; requiring that the
6 name of an operator be included in the application for certain licenses; defining
7 certain terms; making a technical correction; and generally relating to alcoholic
8 beverages licenses in Harford County.

9 BY repealing and reenacting, without amendments,
10 Article – Alcoholic Beverages
11 Section 22–102
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2019 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Alcoholic Beverages
16 Section 22–1405
17 Annotated Code of Maryland
18 (2016 Replacement Volume and 2019 Supplement)

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

21 **Article – Alcoholic Beverages**

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 22-102.

2 This title applies only in Harford County.

3 22-1405.

4 (a) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
5 INDICATED.

6 (2) "OPERATOR" MEANS AN INDIVIDUAL WHO IS:

7 (I) RESPONSIBLE FOR THE DAY-TO-DAY OPERATION OF A
8 LICENSED ESTABLISHMENT; AND

9 (II) PHYSICALLY PRESENT ON THE PREMISES FOR A
10 SUBSTANTIAL AMOUNT OF TIME ON A DAILY BASIS.

11 (3) (I) "OWNER" MEANS A PERSON WHO HAS A REAL, PROVABLE
12 FINANCIAL INTEREST IN THE BUSINESS.

13 (II) "OWNER" INCLUDES A STOCKHOLDER OR MANAGERIAL
14 EMPLOYEE OF THE ACTUAL OWNER.

15 (B) (1) [A] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS
16 SUBSECTION, A license for the use of a corporation, an unincorporated entity, or a limited
17 liability company shall be applied for by and issued to, as individuals:

18 (i) 1. [three] TWO officers holding a financial interest in the
19 corporation; or

20 [(ii)] 2. [three] TWO authorized persons holding a financial
21 interest in the limited liability company; AND

22 (II) AN OPERATOR.

23 [(2)] One of the three individual applicants who apply for a license shall be
24 a resident of the county.

25 (3) The license shall be in effect so long as the resident applicant remains
26 a resident of the county.

27 (4) For a license issued after July 1, 1984, the resident applicant:

28 (i) 1. for a Class A beer and wine license or a Class A-1 or Class

1 A-2 beer, wine, and liquor license, shall own at least 25% of the total corporation,
2 unincorporated entity, or limited liability company;

3 2. for any type of license other than one specified in item 1 or
4 3 of this item, shall own at least 10% of the total corporation, unincorporated entity, or
5 limited liability company; or

6 3. for a Class C-1, Class C-2, or Class C-3 license, may own
7 any amount or no amount of the total corporation, unincorporated entity, or limited liability
8 company;

9 (ii) shall serve as manager or supervisor; and

10 (iii) shall be physically present on the premises for a substantial
11 amount of time on a daily basis.]

12 **[(5)] (2)** An application for a license shall:

13 (i) state the name and address of:

14 1. **A.** the corporation or unincorporated entity and each
15 officer who holds a financial interest in the corporation or unincorporated entity; or

16 **[2.] B.** the limited liability company and each authorized
17 person who holds a financial interest in the limited liability company; and

18 **2. THE OPERATOR; AND**

19 (ii) be signed by:

20 1. **A.** the president or vice president of a corporation or
21 an unincorporated entity and the **[three] TWO** officers to whom the license is issued; or

22 **[2.] B.** the **[three] TWO** authorized persons of a limited
23 liability company to whom the license is issued; **AND**

24 **2. THE OPERATOR.**

25 **[(6)] (3)** If there are fewer than three officers or directors of a corporation
26 or an unincorporated entity or fewer than three authorized persons of a limited liability
27 company, each officer, director, or authorized person holding a financial interest in the
28 corporation, unincorporated entity, or limited liability company shall apply for the license.

29 **[(7)] (4)** If a close corporation does not have **[officers or]** directors, one or
30 more **[resident]** stockholders who own more than 50% of the stock together may apply for
31 the license.

1 **[(b) (1)]** In this section, “owner”:

2 (i) means a person who has a real, provable financial interest in the
3 business; and

4 (ii) includes a stockholder or managerial employee of the actual
5 owner.]

6 **[(2) (C)]** Stock ownership requirements established under subsection
7 **[(a) (B)]** of this section do not apply to an applicant for a Class B hotel or restaurant beer,
8 wine, and liquor license or a Class BNR beer, wine, and liquor license in which[:

9 (i)] a majority of the stock is owned or controlled either directly or
10 indirectly by one or more corporations and is authorized for sale by the United States
11 Securities and Exchange Commission[;

12 (ii) at least one license holder is a resident applicant of the business
13 conducted on the licensed premises who is responsible for the day-to-day operation of the
14 business; and

15 (iii) each license holder is a named officer of the corporation.

16 (3) The residency requirements established under subsection (a) of this
17 section remain in effect for a Class B hotel or restaurant beer, wine, and liquor license or a
18 Class BNR beer, wine, and liquor license for as long as the license is in effect].

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
20 1, 2020.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.