

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 130

(Senator Simonaire)

Education, Health, and Environmental Affairs

Economic Matters

Alcoholic Beverages – License Requirements – Citizenship

This bill repeals various requirements that an alcoholic beverages license applicant (local or State license) be a citizen of the United States, and instead generally requires a person applying for an alcoholic beverages license to have *lawful status in* the United States. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: None. The bill partially codifies a recent U.S. Supreme Court decision, as discussed below.

Local Effect: None. The bill partially codifies a recent U.S. Supreme Court decision, as discussed below.

Small Business Effect: None. The bill partially codifies a recent U.S. Supreme Court decision, as discussed below.

Analysis

Current Law/Background: Alcoholic Beverages Law includes various requirements that an applicant for an alcoholic beverages license be a registered voter, taxpayer, or resident of a jurisdiction in order to obtain the license from that jurisdiction. This applies for specified State-issued licenses and permits and locally issued licenses and permits. For example, an applicant for an alcoholic beverages manufacturer’s license (brewery, winery, and distillery) must have been a resident of the State for the two years immediately preceding the application for a license. However, this type of residency requirement was recently ruled unconstitutional by the U.S. Supreme Court.

In June 2019, the U.S. Supreme Court decided the case of [Tennessee Wine and Spirits Retailers Assn. v. Russel Fl. Thomas, Executive Director of the Tennessee Alcoholic Beverage Commission, et al., 139 S. Ct. 2449 \(2019\)](#). In the case, the court struck down a residency requirement to obtain and maintain an alcoholic beverages license in Tennessee. Specifically, Tennessee required an applicant for a retail liquor store license to live in the state for 2 years as a qualification for receiving a license, while an applicant for license renewal must have lived in the state for 10 years. The court found that this residency requirement violates the Commerce Clause of the U.S. Constitution.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Comptroller's Office, Baltimore City; Montgomery, Washington, and Worcester counties; Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2020
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Analysis by: Richard L. Duncan

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