

Department of Legislative Services  
Maryland General Assembly  
2023 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 258  
Economic Matters

(Delegate Arentz, *et al.*)

Finance

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Caroline and Queen Anne's Counties - Alcoholic Beverages Licenses - Residency Requirement

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This bill alters the residency requirement for an alcoholic beverages license on behalf of a partnership, corporation or club, or limited liability company in Caroline County and a partnership in Queen Anne's County and makes technical changes. The bill establishes that the residency requirement for an applicable license is satisfied if at least one of the applicants is a resident of the State at the time the application is filed and provides that a license only remains valid for as long as at least one of the applicants is a resident of the State. **The bill takes effect July 1, 2023.**

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Fiscal Summary

**State Effect:** None.

**Local Effect:** The bill is not anticipated to materially affect the operations or finances of Caroline or Queen Anne's counties.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:**

*Caroline County:* Applicants seeking an alcoholic beverages license on behalf of a partnership, corporation or club, or limited liability company in Caroline County have specific residency requirements.

For a partnership, each of the partners must (1) reside in the jurisdiction or municipality where the business is located at the time the application is filed and (2) remain a resident of the jurisdiction or municipality where the business is located for the duration of time the license is in effect.

For a corporation or club, unless otherwise specified, a license on behalf of a corporation or club must be applied for and issued to three officers of the corporation or club as individuals. At least one of the three officers must (1) be a resident of the jurisdiction or municipality at the time the application is filed and (2) remain a resident of the jurisdiction or municipality for the duration of time the license is in effect.

For a limited liability company, if a limited liability company has fewer than three authorized individuals, each authorized individual must apply for the license. If the limited liability company has three or more authorized individuals, three authorized individuals must apply for the license. At least one of the authorized individuals must (1) be a resident of the jurisdiction or municipality at the time the application is filed and (2) remain a resident of the jurisdiction or municipality for the duration of time the license is in effect.

*Queen Anne's County:* An applicant for an alcoholic beverages license on behalf of a corporation or limited liability company in Queen Anne's County is not required to be a resident of the county.

For a partnership in Queen Anne's County, each of the partners must (1) reside in the jurisdiction or municipality where the business is located at the time the application is filed and (2) remain a resident of the jurisdiction or municipality where the business is located for the duration of time the license is in effect. Additionally, an applicant on behalf of a partnership in Queen Anne's County may not be issued a Class A beer, wine, and liquor license unless the owners of 75% of the interest in the partnership are residents of the county at the time the application is filed.

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## **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Queen Anne's County; Department of Legislative Services

**Fiscal Note History:** First Reader - February 6, 2023  
km/tso Third Reader - March 22, 2023  
Revised - Amendment(s) - March 22, 2023  
Revised - Clarification - March 22, 2023

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