

# HOUSE BILL 767

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2lr2476  
CF SB 627

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By: **Delegate Davis**

Introduced and read first time: February 9, 2012

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Class B Licenses – Restaurants**

3 FOR the purpose of authorizing a business in which a parent company has a direct or  
4 indirect interest and that operates using a certain trademark used in connection  
5 with restaurant services to obtain a Class B beer license, Class B beer and wine  
6 license, or a Class B beer, wine and liquor license for certain premises used as a  
7 restaurant; requiring an applicant for a certain license to apply for the license  
8 in a certain manner and pay a certain fee; limiting the granting of a certain  
9 license to a certain purpose of providing alcoholic beverages for consumption on  
10 the licensed premises only; making a certain exception; establishing that certain  
11 provisions of law do not limit the rights of certain persons to obtain certain  
12 licenses; providing that the granting of a certain license is not subject to certain  
13 provisions of law limiting the number of permitted licenses; establishing that a  
14 certain provision of law does not authorize the issuance of more licenses than  
15 the maximum number of licenses permitted in a certain county, the City of  
16 Annapolis, or Baltimore City; defining certain terms; and generally relating to  
17 the obtaining of a Class B beer license, Class B beer and wine license, or a Class  
18 B beer, wine and liquor license by a business in which a parent company has a  
19 direct or indirect interest and that operates using a trademark used in  
20 connection with restaurant services.

21 BY repealing and reenacting, without amendments,  
22 Article 2B – Alcoholic Beverages  
23 Section 9–102(a)  
24 Annotated Code of Maryland  
25 (2011 Replacement Volume)

26 BY adding to  
27 Article 2B – Alcoholic Beverages  
28 Section 9–102(a–2)  
29 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2011 Replacement Volume)

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

4 **Article 2B – Alcoholic Beverages**

5 9–102.

6 (a) (1) No more than one license provided by this article, except by way of  
7 renewal or as otherwise provided in this section, shall be issued in any county or  
8 Baltimore City, to any person, or for the use of any partnership, corporation,  
9 unincorporated association, or limited liability company, in Baltimore City or any  
10 county of the State.

11 (2) No more than one license shall be issued for the same premises  
12 except as provided in §§ 2–201 through 2–208, 2–301, and 6–701 and Title 7.5 of this  
13 article.

14 (3) This subsection may not be construed to apply to § 6–201(r)(4),  
15 (15), (17), and (18), § 7–101(b) and (c), § 8–202(g)(2)(ii) and (iii), § 8–217(e), § 8–508, §  
16 8–902, § 9–217(b–1), or § 12–202 of this article.

17 **(A–2) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE**  
18 **THE MEANINGS INDICATED.**

19 **(II) “INDIRECT INTEREST” MEANS ONE OR MORE OF THE**  
20 **FOLLOWING CONDITIONS EXIST BETWEEN TWO PERSONS, CORPORATIONS,**  
21 **LIMITED LIABILITY COMPANIES, PARTNERSHIPS, LIMITED PARTNERSHIPS,**  
22 **JOINT VENTURES, ASSOCIATIONS, OR ANY OTHER COMBINATION OF PERSONS,**  
23 **WHETHER NATURAL OR OTHERWISE:**

- 24 1. A COMMON PARENT COMPANY;
- 25 2. A LICENSING AGREEMENT;
- 26 3. A CONCESSION AGREEMENT;
- 27 4. MEMBERSHIP IN A CHAIN OF BUSINESSES  
28 COMMONLY OWNED AND OPERATED AND SO PORTRAYED TO THE PUBLIC;
- 29 5. SHARING OF DIRECTORS OR STOCKHOLDERS;
- 30 6. COMMON DIRECT OR INDIRECT SHARING OF  
31 PROFIT FROM THE SALE OF ALCOHOLIC BEVERAGES; OR

1                   7.    SHARING OF A COMMON TRADE NAME,  
2 TRADEMARK, LOGO, THEME, OR MODE OF OPERATION IDENTIFIABLE BY THE  
3 PUBLIC, EXCEPT HOTELS AND MOTELS.

4                   (III) “PARENT COMPANY” MEANS A CORPORATION, THE  
5 SECURITIES OF WHICH ARE EXEMPT FROM REGISTRATION UNDER § 11-601(8)  
6 OR (12) OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE THAT OWNS OR  
7 CONTROLS, DIRECTLY OR INDIRECTLY, AT LEAST THREE RESTAURANT  
8 REGISTERED BRANDS.

9                   (IV) “RESTAURANT REGISTERED BRAND” MEANS A  
10 TRADEMARK THAT IS REGISTERED WITH THE UNITED STATES PATENT AND  
11 TRADEMARK OFFICE USED IN CONNECTION WITH RESTAURANT SERVICES.

12                   (2) (I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS  
13 ARTICLE, A BUSINESS IN WHICH A PARENT COMPANY HAS A DIRECT OR  
14 INDIRECT INTEREST AND THAT OPERATES USING A RESTAURANT REGISTERED  
15 BRAND OWNED OR CONTROLLED, DIRECTLY OR INDIRECTLY, BY THE PARENT  
16 COMPANY, MAY OBTAIN A CLASS B BEER LICENSE, A CLASS B BEER AND WINE  
17 LICENSE, OR A CLASS B BEER, WINE AND LIQUOR LICENSE FOR PREMISES USED  
18 AND OCCUPIED AS A BONA FIDE RESTAURANT, AS DEFINED BY THE RULES AND  
19 REGULATIONS OF THE LOCAL BOARD OF LICENSE COMMISSIONERS OR THE  
20 BALTIMORE CITY BOARD OF LIQUOR LICENSE COMMISSIONERS.

21                   (II) FOR AN APPLICANT TO OBTAIN A LICENSE UNDER THIS  
22 SUBSECTION, THE APPLICANT SHALL APPLY FOR THE LICENSE IN THE REGULAR  
23 MANNER AND PAY THE USUAL FEE.

24                   (3) EXCEPT AS OTHERWISE PROVIDED UNDER § 12-107.1 OF  
25 THIS ARTICLE, THE ISSUANCE OF A LICENSE AS PROVIDED IN THIS SUBSECTION  
26 IS LIMITED TO THE PURPOSE OF PROVIDING ALCOHOLIC BEVERAGES FOR  
27 CONSUMPTION ON THE LICENSED PREMISES ONLY, WITH NO OFF-SALE  
28 PRIVILEGES TO BE EXERCISED BY THE LICENSEE.

29                   (4) (I) NOTHING IN THIS SUBSECTION LIMITS THE RIGHTS OF A  
30 PERSON TO OBTAIN A CLASS B BEER LICENSE, CLASS B BEER AND WINE  
31 LICENSE, OR A CLASS B BEER, WINE AND LIQUOR LICENSE AS PROVIDED BY ANY  
32 OTHER PROVISION OF THIS ARTICLE.

33                   (II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH,  
34 THE ISSUANCE OF A LICENSE AS PROVIDED IN THIS SUBSECTION IS NOT

1 SUBJECT TO ANY OTHER PROVISION OF THIS ARTICLE THAT LIMITS THE  
2 NUMBER OF PERMITTED LICENSES.

3 (III) NOTHING IN THIS SUBSECTION AUTHORIZES THE  
4 ISSUANCE OF MORE CLASS B BEER LICENSES, CLASS B BEER AND WINE  
5 LICENSES, OR CLASS B BEER, WINE AND LIQUOR LICENSES TO RESTAURANTS  
6 USING THE SAME RESTAURANT REGISTERED BRAND IN A COUNTY, THE CITY OF  
7 ANNAPOLIS, OR BALTIMORE CITY THAN THE MAXIMUM NUMBER OF LICENSES  
8 PERMITTED BY THAT COUNTY, THE CITY OF ANNAPOLIS, OR BALTIMORE CITY:

9 1. TO AN INDIVIDUAL OR A SOLE PROPRIETOR; OR

10 2. FOR USE OF A PARTNERSHIP, A CORPORATION, AN  
11 UNINCORPORATED ASSOCIATION, OR A LIMITED LIABILITY COMPANY.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 June 1, 2012.