

Md. Ann. Code art. 2B, § 10-503

Annotated Code of Maryland
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*** Current through all chapters of the 2011 Special Session of the General Assembly ***

ARTICLE 2B. ALCOHOLIC BEVERAGES
TITLE 10. LICENSES.
SUBTITLE 5. RIGHTS AND DUTIES.

Md. Ann. Code art. 2B, § 10-503 (2011)

§ 10-503. Transfer of licenses

(a) In general. --

(1) In this section, "board" means the board of license commissioners or liquor control board, as the case may be, of the county or Baltimore City.

(2) Any holder of a license under this article, including a receiver or trustee for the benefit of creditors, may be permitted to transfer the holder's place of business to some other location or sell or assign the license and transfer the holder's stock in trade to another person, but only if:

(i) An application for the transfer or sale has been made;

(ii) All retail sales, amusement, admission, and withholding taxes have been paid to the Comptroller of the Treasury of the State;

(iii) A bulk transfer permit is obtained if the stock of alcoholic beverages is to be transferred whether by sale, gift, inheritance, assignment, or otherwise, and irrespective of whether or not consideration is paid; and

(iv) The new location or assignee is approved by the board as in the case of an original application for such a license under § 10-202 of this title.

(3) A transfer or assignment, when made, shall be endorsed upon the license by the license issuing authority upon payment of a fee of \$ 20 in addition to the costs of publication and notice, which shall be paid to the local collecting agent at the time of the filing of the application for the transfer or sale. This section permits the transfer of location and the assignment of license in the same application.

(4) A board may not permit the transfer of an alcoholic beverages license until the transferor has complied with the Bulk Transfers Act, Commercial Law Article, Title 6, and has certified such compliance, by affidavit, to the board.

(5) The provisions of this section apply in every county and in Baltimore City, unless otherwise provided in this section.

(b) Allegany County. --

(1) This subsection applies only in Allegany County.

(2) The fee for assignment or transfer of an alcoholic beverages license is \$ 200.

(3) The Board may not permit the transfer of an alcoholic beverages license within its

jurisdiction unless there is presented to the Board a receipt or certificate from the Director of Finance showing that there are no unpaid taxes due to Allegany County or the State of Maryland on the merchandise, fixtures, or stock of the transferor.

(c) Anne Arundel County. --

(1) This subsection applies only in Anne Arundel County.

(2) (i) The fee for assignment or transfer of a license is \$ 200.

(ii) This does not apply to a club license.

(3) (i) The Board may not approve an application for transfer of a license unless all obligations of the transferrer (former licensee) pertaining to the licensed establishment have been fully paid or some arrangement concerning debts and obligations satisfactory to the transferrer's creditors has been made.

(ii) The Board is not bound by the prohibition in subparagraph (i) of this paragraph unless a bona fide creditor submits his claim, under affidavit, to the Board prior to the hearing held on the transfer and the claim involves an indebtedness which was incurred in the operation of the licensed premises.

(iii) The provisions of subparagraph (i) of this paragraph also apply to an application for a new license whenever the Board believes that the application for a new license is being used as a subterfuge for avoiding the provisions regarding transfer of licenses.

(4) (i) A corporation or club holding an alcoholic beverages license, during any license year, may substitute the name of one of its officers for the name of any other officer on the license when the deleted licensee has died, has retired, has moved from the county, or no longer has a financial interest in the corporation or club.

(ii) The substitution may not be accompanied by a sale of corporate stock which results in a change of the controlling interest of the corporation or club.

(iii) The Board may not approve the application for the substitution unless all obligations of the corporation or club have been fully paid or some arrangement concerning debts and obligations satisfactory to its creditors has been made.

(iv) The corporation or club shall submit a letter, signed by the new license applicant and the two remaining licensees, applying to the Board for a substitution.

(v) Upon the approval of the Board and the payment of the necessary costs and fees, a new license shall be issued with the correct names on it. In all other cases a formal transfer of the license shall be accomplished in accordance with subsection (a) of this section.

(d) Baltimore City. --

(1) This subsection applies only in Baltimore City.

(2) A transfer of any license may only be made as authorized in subsection (a) of this section if the Board has presented to it a receipt or certificate from the Director of Finance showing there are no unpaid taxes on the merchandise, fixtures, and stock of the transferor due to the City of Baltimore or the State of Maryland.

(3) (i) Subject to subparagraph (ii) of this paragraph, the fee for transfer or assignment of a license is \$ 200 in addition to the cost of publication and notice and any hearing fees required.

(ii) A Class C licensee may transfer or assign one license during a license year without

paying a fee.

(4) A transfer of any license shall be completed not more than 180 days after the Board approves the transfer.

(e) Baltimore County. --

(1) This subsection applies only in Baltimore County.

(2) Except for the transfer provided for in paragraph (3) of this subsection, all classes of alcoholic beverages licenses shall be transferred as provided for in subsection (a) of this section.

(3) The Board, after a hearing, may grant a transfer of a Class B beer, wine and liquor (on-sale) hotel and restaurant license to a Class D beer, wine and liquor (on-sale) license if, before the annual renewal of the license, the holder:

(i) Is cited by the Board for violating the license restriction concerning the percent of food sold versus the percent of alcoholic beverages sold; or

(ii) Because of hardship or economic conditions, knows that this restriction is being violated on the licensed premises and notifies the Board in writing of this violation and the reasons for requesting the transfer.

(4) A license may not be transferred in accordance with the provisions of paragraph (3) of this subsection unless after the hearing the Board finds that the transfer is in the best interest, health, safety and welfare of the neighborhood in which the license transfer is to be granted.

(5) This subsection does not apply to the exceptions from the population requirements provided for in the rules of the Board of License Commissioners.

(6) The Board may not permit the transfer of an alcoholic beverages license within its jurisdiction unless there is presented to the Board a receipt or certificate from the Director of Finance showing that there are no unpaid taxes on the merchandise, fixtures, or stock of the transferor due to Baltimore County or the State of Maryland.

(f) Calvert County. -- The provisions of subsection (a) of this section apply in Calvert County.

(g) Caroline County. -- The provisions of subsection (a) of this section apply in Caroline County.

(h) Carroll County. --

(1) This subsection applies only in Carroll County.

(2) The fee for transfer of a license is \$ 350, in addition to the costs of publication and notice. This fee is not refundable.

(3) The fee for assignment of a license to another person is \$ 350.

(4) A transfer or assignment of license, or both, may not be made until the Board has been satisfied that all State and local real and personal property taxes owed by the transferor or assignor of the license, or both, have been paid.

(i) Cecil County. --

(1) This subsection applies only in Cecil County.

(2) The Board may not transfer an off-sale alcoholic beverages license of any class for the use in a business that is intended to be operated as a drive-through purchase facility where alcoholic

beverages are to be sold at retail and dispensed through a window or door to a purchaser in or on a motor vehicle for off-premises consumption.

(j) Charles County. --

(1) This subsection applies only in Charles County.

(2) The fee for assignment and/or transfer of a license is \$ 200.

(3) (i) If an alcoholic beverages license is to be transferred to a different holder, the Board shall investigate whether the transferee has a police record of criminal convictions.

(ii) The Board shall adopt regulations for preserving the confidentiality of the police records secured under this subsection.

(4) If an alcoholic beverages license is to be transferred to a different location, the Board shall consider the existing need for that class of license at the proposed new location.

(5) A transfer of any license may not be made as authorized in subsection (a) of this section unless there is presented to the Board:

(i) A certification from the Office of the County Supervisor of Assessments showing the value of the merchandise, fixtures, and stock-in-trade for the business for which the application is made for the calendar year next preceding the year the license is to be issued.

(ii) A certification from the Treasurer of the county showing that there are no unpaid taxes due from the transferor or assignor to the:

1. County, incorporated city, or place where the licensed premises is to be located; and

2. County or State of Maryland on the merchandise, fixtures, and stock-in-trade where the licensed premises is to be located.

(6) Except by way of renewal, an alcoholic beverages license of any class may not be transferred or issued to any business establishment of the type known as chain stores, supermarkets, discount houses, or their franchisors or franchisees, or concessionaires of any kind.

(k) Dorchester County. -- The provisions of subsection (a) of this section apply in Dorchester County.

(l) Frederick County. --

(1) This subsection applies only in Frederick County.

(2) The Board may not transfer an off-sale alcoholic beverages license of any class for the use in a business that is intended to be operated as a drive-through purchase facility where alcoholic beverages are to be sold at retail and dispensed through a window or door to a purchaser in or on a motor vehicle for off-premises consumption.

(m) Garrett County. --

(1) This subsection applies only in Garrett County.

(2) The fee for assignment of transfer of an alcoholic beverages license is:

(i) \$ 200; and

(ii) The costs of publication and notice.

(n) Harford County. --

(1) This subsection applies only in Harford County.

(2) The Board:

(i) May not transfer the location or ownership of any alcoholic beverages license of any class for the use in a business that is intended to be operated as a drive-through purchase facility where alcoholic beverages are to be sold at retail and dispensed through a window or door to a purchaser in or on a motor vehicle for off-premises consumption; or

(ii) May not transfer the location or ownership of any off-sale alcoholic beverages license of any class with the privilege of operating the premises as a drive-through purchase facility.

(3) (i) The Board shall transfer an alcoholic beverages license that is issued for use in a business if:

1. The business is sold to a different owner; and
2. The new owner qualifies as a licensee under this article.

(ii) 1. The Board may set a charge for the transfer of a license under this paragraph, which may not exceed the administration cost for processing the transfer.

2. If a license is transferred under this paragraph before its expiration date, the Board shall permit the transferee to operate under the license until the license expiration date without additional charge except for the charge provided for under item 1 of this subparagraph.

3. If a license is transferred under this paragraph on its expiration date, the charge for the transfer is the same as the fee for the issuance of the license.

(o) Howard County. --

(1) This subsection applies only in Howard County.

(2) A transfer of a license may not be granted until all State and local personal property taxes owed by the transferor have been paid.

(p) Kent County. -- The provisions of subsection (a) of this section apply in Kent County.

(q) Montgomery County. -- The provisions of subsection (a) of this section apply in Montgomery County.

(r) Prince George's County. --

(1) This subsection applies only in Prince George's County.

(2) (i) The Board may not approve a license transfer from the present location to a new location for a period of 2 years from the date of the granting of a new license.

(ii) The provisions of this paragraph do not apply to the transfer or assignment of an alcoholic beverages license that is made by a receiver or trustee for the benefit of the creditors of a licensee or a transfer that is made due to the death of a licensee.

(3) The fee for assignment or transfer of a license is \$ 500.

(4) (i) If a transfer is authorized under paragraph (2) of this subsection, a transfer of a license may not be approved or issued for transfer from one location to another unless the Board first determines that:

1. The transfer to the proposed new location is necessary for the accommodation of the public; and

2. The assignee or transferee has complied with the residency requirements specified in § 9-101 of this article.

(ii) A transfer of location or ownership may not be approved when a transfer of location has been authorized for a license within 2 years except at the discretion of the Board. This provision may not be construed to bar or prohibit a transfer of ownership for continuance of a business in the same location, unless there has been a transfer of location for the license within 2 years. Notwithstanding any other provisions of this section, a receiver or trustee for the benefit of creditors of a licensee, within 6 months of appointment as the receiver or trustee or within 6 months of the death of the license holder, may transfer ownership and location of a license, subject to the approval of the Board.

(5) The Board may not transfer any class of alcoholic beverages license for use in a business establishment with a commercial fuel pump located on the premises that is used by the general public for the purchase of fuel.

(s) Queen Anne's County. -- The provisions of subsection (a) of this section apply in Queen Anne's County.

(t) St. Mary's County. --

(1) This subsection applies only in St. Mary's County.

(2) The fee for assignment or transfer of any alcoholic beverages license is \$ 100.

(u) Somerset County. --

(1) This subsection applies only in Somerset County.

(2) The Board may waive the publication notice required under subsection (a) of this section for the transfer or assignment of licenses but only with respect to Class C club licenses when a person whose name appears on the license becomes ineligible, provided that a new application for the same class of license is properly filed with the Board within 10 days of the date on which the person becomes ineligible.

(3) The fee for transfer or assignment of a license is \$ 50 in addition to the cost of publication, notice, and any hearing fees required.

(v) Talbot County. -- The provisions of subsection (a) of this section apply in Talbot County.

(w) Washington County. --

(1) This subsection applies only in Washington County.

(2) In this subsection, "Board" means the Board of License Commissioners.

(3) The Board may not transfer an alcoholic beverages license until the transferor has paid all county taxes that are due and owed under the license and has certified by affidavit to the Board that no county taxes are due and owed.

(4) Upon transfer of a license, the Board shall impose a fee of:

(i) \$ 400 each time the license is transferred; and

(ii) \$ 100 each time the transfer is advertised.

(x) Wicomico County. --

(1) This subsection applies only in Wicomico County.

(2) The publication notice referred to in this section may, in the discretion of the Board, be waived with respect to Class C club licenses when a person whose name appears on the license becomes ineligible, provided that a new application for the same class of license is properly filed with the Board within 10 days of the date on which the person becomes ineligible.

(3) The fee for transfer or assignment of a license is \$ 75 in addition to the cost of publication, notice, and any hearing fees required.

(y) Worcester County. --

(1) This subsection applies only in Worcester County.

(2) (i) A corporation or club holding any class of alcoholic beverages license other than Class C, during any license year, may substitute the name of one of its officers for the name of any other officer on the license when the deleted officer has died, retired, been removed from office, or no longer holds an office in the corporation or club if the substitute is a fit person approved by the Board and can meet all the requirements the substitute would have to meet if the substitute were named in the original application.

(ii) The corporation or club shall file an affidavit and application as in the case of an original license application with the Board showing the substitution of the officer or officers with an explanation of the substitution. Upon receipt of the affidavit and application and after a find by the Board that the person is a fit person and would meet all the requirements an original applicant must meet, the Board shall amend its records and issue a new license with the corrected names on it.

(iii) The corporation or club shall pay a fee of \$ 100 to the Board for the service.

(iv) The fee for a transfer and for assignment of a license is the greater of \$ 50 or 25 percent of the annual fee of the license being transferred in addition to the cost of publication, notice, and any hearing fees required.

(3) The Board may not transfer an off-sale alcoholic beverages license of any class for the use in a business that is intended to be operated as a drive-through purchase facility where alcoholic beverages are to be sold at retail and dispensed through a window or door to a purchaser in or on a motor vehicle for off-premises consumption.

(4) In addition to the restrictions provided in subsection (a) of this section, before an owner of a business that is licensed under this article may transfer or assign any pecuniary interest in that licensed business:

(i) The owner shall first notify the Board of the proposed transfer or assignment; and

(ii) The Board shall approve the transfer or assignment.

HISTORY: An. Code, 1951, § 71; 1947, ch. 501, § 67; 1949, ch. 770, § 62 (a); 1953, ch. 119; 1955, chs. 374, 594; 1957, ch. 831; 1959, ch. 699; 1961, chs. 614, 726; 1962, 1st Sp. Sess., ch. 28; 1963, chs. 246, 862; 1965, chs. 246, 824; 1966, chs. 39, 274; 1972, chs. 176, 204, 587; 1975, ch. 483; 1977, ch. 134; 1979, chs. 165, 623; 1982, chs. 669, 747; 1983, ch. 8;

1984, chs. 202, 259, 380, 556; 1985, ch. 10, § 1; ch. 444; ch. 456, § 1; ch. 463, § 1; chs. 647, 682, 693; 1986, chs. 82, 97; 1987, ch. 115; 1988, chs. 230, 240; 1989, ch. 5, § 15; chs. 195, 224, 265, 449, 530; 1990, ch. 6, § 2; 1992, 1st Sp. Sess., ch. 1, § 5; 1993, ch. 594; 1994, ch. 3, § 2; 1995, ch. 4, § 1; 1996, ch. 10, § 1; ch. 159, § 2; chs. 248, 337; 1998, ch. 155; 2000, chs. 56, 142; 2001, ch. 29, § 6; ch. 475; 2004, ch. 171; 2006, ch. 302, § 1; ch. 556; 2008, ch. 425, § 2; 2009, ch. 137.

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