

# HOUSE BILL 999

A2

3lr2770

By: **Worcester County Delegation**

Introduced and read first time: February 8, 2013

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted with floor amendments

Read second time: March 18, 2013

Returned to second reading: March 21, 2013

House action: Adopted with floor amendments

Read second time: March 21, 2013

## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Worcester County – Alcoholic Beverages Licenses – Fines – Alcohol**  
3 **~~Awareness Program~~**

4 FOR the purpose of altering in Worcester County the privileges relating to the sale of  
5 alcoholic beverages by the holders of certain alcoholic beverages licenses;  
6 creating a Class EF (entertainment facility) beer, wine and liquor license;  
7 authorizing a license holder to sell beer, wine, and liquor, from one or more  
8 outlets in a certain entertainment facility, for consumption anywhere  
9 throughout the entertainment facility only; requiring a facility for which a  
10 license is issued to have a certain amount of capital investment; authorizing the  
11 Board of License Commissioners to issue one or more licenses for the same  
12 facility; specifying the hours of sale and a certain license fee; increasing the  
13 maximum fine in the county that may be imposed on a person for a certain  
14 alcoholic beverages violation; exempting a certain licensee in the county from a  
15 certain requirement regarding certification by an approved alcohol awareness  
16 program; allowing in the county a person who is certified by a program to be  
17 absent from the licensed premises under certain circumstances; authorizing the  
18 Department of Liquor Control, acting as a wholesaler, to purchase wine and  
19 liquor under certain circumstances; prohibiting the resale of certain wine and  
20 liquor until a certain excise tax has been paid; authorizing the Department,  
21 acting as a retailer, to purchase wine and liquor under certain circumstances;  
22 altering a certain date on which a licensee in the county may elect to purchase

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 wine or liquor from a licensed wholesaler; and generally relating to alcoholic  
2 beverages in Worcester County.

3 BY repealing and reenacting, without amendments,  
4 Article 2B – Alcoholic Beverages  
5 Section 6–201(a)(1) and (y)(1), 6–401(y)(1) and (2)(i), and 13–101(c)(1) and  
6 (2)(iii)  
7 Annotated Code of Maryland  
8 (2011 Replacement Volume and 2012 Supplement)

9 BY repealing and reenacting, with amendments,  
10 Article 2B – Alcoholic Beverages  
11 Section 6–201(y)(4), 6–401(y)(2)(iv), 11–304(a)(2), ~~and~~ 13–101(c)(2)(i), (ii), and  
12 (iv)1., 15–205(l), and 15–204(e)  
13 Annotated Code of Maryland  
14 (2011 Replacement Volume and 2012 Supplement)

15 BY adding to  
16 Article 2B – Alcoholic Beverages  
17 Section 6–201(y)(9)  
18 Annotated Code of Maryland  
19 (2011 Replacement Volume and 2012 Supplement)

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

22 **Article 2B – Alcoholic Beverages**

23 6–201.

24 (a) (1) A Class B beer, wine and liquor license shall be issued by the  
25 license issuing authority of the county in which the place of business is located, and  
26 the license authorizes its holder to keep for sale and sell all alcoholic beverages at  
27 retail at any hotel or restaurant at the place described, for consumption on the  
28 premises or elsewhere, or as provided in this section.

29 (y) (1) This subsection applies only in Worcester County.

30 (4) Seven–day license holders may sell beer, wine and liquor [(on–sale)  
31 and beer and light wine (off–sale)] **(ON–SALE OR OFF–SALE)**.

32 **(9) (I) THERE IS A CLASS EF (ENTERTAINMENT FACILITY)**  
33 **BEER, WINE AND LIQUOR LICENSE.**

34 **(II) A CLASS EF LICENSE AUTHORIZES THE HOLDER TO**  
35 **SELL BEER, WINE, AND LIQUOR BY THE DRINK AND BY THE BOTTLE, FROM ONE**

1 OR MORE OUTLETS IN THE ENTERTAINMENT FACILITY, FOR CONSUMPTION  
2 ANYWHERE THROUGHOUT THE ENTERTAINMENT FACILITY.

3 (III) A HOLDER OF A CLASS EF LICENSE MAY NOT SELL  
4 ALCOHOLIC BEVERAGES FOR OFF-SALE CONSUMPTION.

5 (IV) NOTWITHSTANDING § 8-208(B) OF THIS ARTICLE, THE  
6 BOARD OF LICENSE COMMISSIONERS MAY ISSUE A CLASS EF LICENSE ONLY IF  
7 THE APPLICANT HAS AN INITIAL CAPITAL INVESTMENT IN THE FACILITY FOR  
8 WHICH THE LICENSE IS SOUGHT OF AT LEAST \$45,000,000.

9 (V) THE BOARD MAY ISSUE ONE OR MORE CLASS EF  
10 LICENSES FOR THE SAME FACILITY.

11 (VI) A CLASS EF LICENSE AUTHORIZES THE SALE AND  
12 SERVING OF BEER, WINE, AND LIQUOR ANYWHERE THROUGHOUT THE  
13 ENTERTAINMENT FACILITY DURING THOSE DAYS THAT THE ENTERTAINMENT  
14 FACILITY IS OPEN FOR BUSINESS AND FROM 9:00 A.M. THROUGH 4:00 A.M. THE  
15 FOLLOWING DAY.

16 (VII) A CLASS EF LICENSE AUTHORIZES DANCING AND THE  
17 PLAYING OF MUSIC.

18 ~~(VII)~~ (VIII) THE ANNUAL LICENSE FEE IS \$15,000.

19 6-401.

20 (y) (1) This subsection applies only in Worcester County.

21 (2) (i) A Class D beer, wine and liquor license may be issued only  
22 within:

23 1. The corporate limits of Ocean City;

24 2. The boundary lines of the 10th taxing district;

25 3. The area bounded by U.S. Route 50 to the south,  
26 Turville Creek and Herring Creek to the east, St. Martin River to the north, and  
27 Maryland Route 589 to the west;

28 4. The area bounded by Maryland Route 589 to the  
29 north and east, U.S. Route 50 to the south, and U.S. Route 113 to the west; and

30 5. From the intersection of Maryland Route 589 and  
31 U.S. Route 50, an area bounded by a line that extends 1,500 feet south of U.S. Route

1 50, east to the boundary of the 10th taxing district, north along the 10th taxing  
2 district boundary to U.S. Route 50, and west to the intersection of Maryland Route 589  
3 and U.S. Route 50.

4 (iv) Seven-day license holders may sell beer, wine and liquor  
5 [(on-sale) and beer and light wine (off-sale)] **(ON-SALE AND OFF-SALE)**.

6 11-304.

7 (a) (2) Except as provided in this section, any person found consuming  
8 any alcoholic beverage on any premises open to the general public, and any owner,  
9 operator or manager of those premises or places who knowingly permits consumption  
10 between the hours provided by this section is guilty of a misdemeanor and, upon  
11 conviction, shall be fined not more than \$50 and not less than \$5.

12 (i) In Anne Arundel County the fine may not be more than  
13 \$250.

14 (ii) In Worcester County the fine may not be more than **[\$1,000]**  
15 **\$4,000**.

16 13-101.

17 (c) (1) A holder of any class of retail alcoholic beverages license or an  
18 employee designated by the holder shall complete training in an approved alcohol  
19 awareness program. The training shall be valid for a period of 4 years, and the holder  
20 shall complete retraining in an approved program for each successive 4-year period.

21 (2) (i) This paragraph applies only in the following jurisdictions:

22 1. Howard County;

23 2. Montgomery County;

24 3. Kent County;

25 4. Washington County;

26 5. Caroline County; [and]

27 6. Except as provided in subparagraph (ii) of this  
28 paragraph, Wicomico County; **AND**

29 **7. EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**  
30 **THIS PARAGRAPH, WORCESTER COUNTY.**

1 (ii) This paragraph does not apply to a licensee in Wicomico  
2 County **OR WORCESTER COUNTY** with a Class C license.

3 (iii) The licensee or a person who is employed in a supervisory  
4 capacity designated by the licensee:

5 1. Shall be certified by an approved alcohol awareness  
6 program; and

7 2. Except as otherwise provided in subparagraph (iv) of  
8 this paragraph, be present during the hours in which alcohol may be sold.

9 (iv) 1. In Howard County, Kent County, Washington County,  
10 [and] Wicomico County, **AND WORCESTER COUNTY**, the person certified by an  
11 approved alcohol awareness program may be absent from the licensed premises for a  
12 bona fide personal or business reason or an emergency, if the absence lasts for not  
13 more than 2 hours.

14 15-204.

15 (e) (1) In this subsection, "Department" means the Worcester County  
16 Department of Liquor Control.

17 (2) This subsection applies only in Worcester County.

18 (3) (i) Beginning on [May 1, 2016] **JULY 1, 2014**, a licensee in the  
19 county may elect to purchase wine or liquor from a licensed wholesaler by providing  
20 written notice of the licensee's intent to the Department at least 60 days before the  
21 date the purchasing activity is to start.

22 (ii) The notice shall contain:

23 1. The name of the licensee;

24 2. The name and address of the licensed premises; and

25 3. The date that the notice was sent to the Department.

26 (4) A licensee that meets the requirements of this subsection may  
27 purchase wine or liquor from a licensed wholesaler in addition to or instead of the  
28 Department.

29 (5) (i) The Department shall issue a letter of confirmation to a  
30 licensee that meets the requirements of this subsection.

31 (ii) The licensee shall display the letter conspicuously on the  
32 licensed premises.

1 15-205.

2 (1) (1) In Worcester County, subject to the approval of the County  
 3 Commissioners, the Director of the Department of Liquor Control may purchase or  
 4 otherwise acquire:

5 [(1)] (I) Real or personal property that the Director considers  
 6 necessary to operate dispensaries, stores, or warehouses; and

7 [(2)] (II) [Wine] SUBJECT TO PARAGRAPH (2) OF THIS  
 8 SUBSECTION, WINE and liquor from any source for resale.

9 (2) (I) 1. ACTING AS A WHOLESALER, ~~THE~~ THE  
 10 DEPARTMENT OF LIQUOR CONTROL ~~ACTING AS A WHOLESALER~~ MAY PURCHASE  
 11 WINE AND LIQUOR, ON WHICH THE EXCISE TAX HAS NOT BEEN PAID, FROM A  
 12 LICENSED WHOLESALER.

13 2. THE DEPARTMENT OF LIQUOR CONTROL MAY  
 14 ONLY RESELL THE WINE AND LIQUOR PURCHASED UNDER THIS SUBPARAGRAPH  
 15 TO A NONDISPENSARY, LICENSED RETAILER AND ONLY AFTER THE EXCISE TAX  
 16 HAS BEEN PAID.

17 (II) ~~REGARDLESS OF ANY OTHER STATE LAW OR~~  
 18 ~~REGULATION TO THE CONTRARY, WINE AND LIQUOR PURCHASED BY THE~~  
 19 ~~DEPARTMENT OF LIQUOR CONTROL FROM ANY SOURCE, INCLUDING A~~  
 20 ~~GOVERNMENTAL ALCOHOLIC BEVERAGE CONTROL DEPARTMENT OR AGENCY OF~~  
 21 ~~ANOTHER STATE, A NONRESIDENT WHOLESALER WHETHER OR NOT LICENSED~~  
 22 ~~IN THIS STATE OR ACTING AS A WHOLESALER, OR A LICENSED WHOLESALER OR~~  
 23 ~~LIQUOR CONTROL BOARD, MAY NOT BE RESOLD UNTIL THE EXCISE TAX~~  
 24 ~~IMPOSED BY § 5-102 OF THE TAX GENERAL ARTICLE HAS BEEN PAID. ACTING~~  
 25 AS A RETAILER, THE DEPARTMENT OF LIQUOR CONTROL MAY PURCHASE WINE  
 26 AND LIQUOR, ON WHICH THE EXCISE TAX HAS BEEN PAID, FROM A LICENSED  
 27 WHOLESALER FOR RETAIL SALE IN DISPENSARY STORES.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 29 July 1, 2013.