

# HOUSE BILL 1237

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By: **Montgomery County Delegation**

Introduced and read first time: February 12, 2016

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County – Alcoholic Beverages – Class A Beer, Wine, and Liquor**  
3 **Licenses – Purchases From Licensed Wholesalers**

4 **MC 3–16**

5 FOR the purpose of establishing a Class A beer, wine, and liquor license in Montgomery  
6 County as of a certain date; providing for the privileges and the annual license fee  
7 for a Class A beer, wine, and liquor license; requiring the Board of License  
8 Commissioners to adopt certain regulations governing the sale of alcoholic beverages  
9 by a holder of a Class A beer, wine, and liquor license; authorizing a holder of a Class  
10 A beer, wine, and liquor license in Montgomery County, beginning on a certain date,  
11 to sell liquor at retail to customers for off–premises consumption; authorizing a  
12 holder of certain alcoholic beverages licenses in Montgomery County, beginning on a  
13 certain date, to elect to purchase alcoholic beverages from a licensed wholesaler in  
14 addition to or instead of from the Department of Liquor Control; requiring a license  
15 holder to provide written notice within a certain time to the Department; requiring  
16 that the notice contain certain information; requiring that the Department issue to  
17 the license holder a letter of confirmation; requiring that a license holder display the  
18 letter conspicuously on the licensed premises; submitting this Act to a referendum  
19 of the qualified voters of Montgomery County; and generally relating to the  
20 establishment of a Class A beer, wine, and liquor license and the purchase of  
21 alcoholic beverages from a licensed wholesaler in Montgomery County.

22 BY renumbering

23 Article – Alcoholic Beverages

24 Section 25–901

25 to be Section 25–901.1

26 Annotated Code of Maryland

27 (As enacted by Chapter \_\_\_\_ (S.B. 724) of the Acts of the General Assembly of 2016)

28 BY repealing and reenacting, without amendments,

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Alcoholic Beverages  
 2 Section 25–102  
 3 Annotated Code of Maryland  
 4 (As enacted by Chapter \_\_\_\_ (S.B. 724) of the Acts of the General Assembly of 2016)

5 BY repealing and reenacting, with amendments,  
 6 Article – Alcoholic Beverages  
 7 Section 25–307, 25–1005, 25–1007, 25–1905, and 25–2707  
 8 Annotated Code of Maryland  
 9 (As enacted by Chapter \_\_\_\_ (S.B. 724) of the Acts of the General Assembly of 2016)

10 BY adding to  
 11 Article – Alcoholic Beverages  
 12 Section 25–901  
 13 Annotated Code of Maryland  
 14 (As enacted by Chapter \_\_\_\_ (S.B. 724) of the Acts of the General Assembly of 2016)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 16 That Section(s) 25–901 of Article – Alcoholic Beverages of the Annotated Code of Maryland  
 17 be renumbered to be Section(s) 25–901.1.

18 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
 19 as follows:

20 **Article – Alcoholic Beverages**

21 25–102.

22 This title applies only in Montgomery County.  
 23 25–307.

24 (a) This section does not apply to a holder of a Class F license.

25 (b) (1) Except as provided in paragraphs (2) through [(8)] (9) of this subsection  
 26 **AND SUBSECTION (C) OF THIS SECTION:**

27 (i) the Department has a monopoly on the wholesale distribution of  
 28 beer, wine, and liquor and retail distribution of off-sale liquor in the County, subject to §  
 29 1–309 of this article; and

30 (ii) a person may sell only alcoholic beverages that are purchased  
 31 from the Department.

32 (2) The holders of the following wholesaler's licenses may sell or deliver  
 33 alcoholic beverages for resale to a dispensary:

34 (i) a Class 1 beer, wine, and liquor license;

1 (ii) a Class 2 wine and liquor license;

2 (iii) a Class 3 beer and wine license;

3 (iv) a Class 4 beer license; or

4 (v) a Class 5 wine license.

5 (3) The holder of a Class 6 limited wine wholesaler's license or nonresident  
6 winery permit may sell or deliver wine directly to a dispensary, restaurant, or other retail  
7 dealer in the County.

8 (4) The holder of a Class 7 limited beer wholesaler's license or nonresident  
9 brewery permit may sell or deliver its own beer to a dispensary, restaurant, or other retail  
10 dealer in the County.

11 (5) A holder of a direct wine shipper's permit may ship wine directly to a  
12 consumer in the County.

13 (6) A dispensary, restaurant, or other retail dealer in the County may  
14 purchase wine directly from a holder of a Class 6 limited wine wholesaler's license or of a  
15 nonresident winery permit.

16 (7) A dispensary, restaurant, or other retail dealer in the County may  
17 purchase beer directly from a holder of a Class 7 limited beer wholesaler's license or of a  
18 nonresident brewery permit.

19 (8) A holder of a charity wine auction permit in the County may receive  
20 and sell wine obtained from any source listed under § 2-137 of this article.

21 **(9) BEGINNING JULY 1, 2018, A HOLDER OF A CLASS A BEER, WINE,**  
22 **AND LIQUOR LICENSE MAY SELL LIQUOR AT RETAIL TO CUSTOMERS FOR**  
23 **OFF-PREMISES CONSUMPTION.**

24 **(C) (1) (I) BEGINNING JULY 1, 2018, A LICENSE HOLDER IN THE**  
25 **COUNTY MAY ELECT TO PURCHASE ALCOHOLIC BEVERAGES FROM A LICENSED**  
26 **WHOLESALE BY PROVIDING WRITTEN NOTICE OF THE LICENSE HOLDER'S INTENT**  
27 **TO THE DEPARTMENT AT LEAST 60 DAYS BEFORE THE DATE THE PURCHASING**  
28 **ACTIVITY IS TO START.**

29 **(II) THE NOTICE SHALL CONTAIN:**

30 **1. THE NAME OF THE LICENSE HOLDER;**

1                                   **2. THE NAME AND ADDRESS OF THE LICENSED**  
2 **PREMISES; AND**

3                                   **3. THE DATE THAT THE NOTICE WAS SENT TO THE**  
4 **DEPARTMENT.**

5                   **(2) A LICENSE HOLDER THAT MEETS THE REQUIREMENTS OF THIS**  
6 **SUBSECTION MAY PURCHASE ALCOHOLIC BEVERAGES FROM A LICENSED**  
7 **WHOLESALER IN ADDITION TO OR INSTEAD OF THE DEPARTMENT.**

8                   **(3) (I) THE DEPARTMENT SHALL ISSUE A LETTER OF**  
9 **CONFIRMATION TO A LICENSE HOLDER THAT MEETS THE REQUIREMENTS OF THIS**  
10 **SUBSECTION.**

11                                   **(II) THE LICENSE HOLDER SHALL DISPLAY THE LETTER**  
12 **CONSPICUOUSLY ON THE LICENSED PREMISES.**

13 **25-901.**

14                   **(A) BEGINNING JULY 1, 2018, THERE IS A CLASS A BEER, WINE, AND**  
15 **LIQUOR LICENSE.**

16                   **(B) (1) THE LICENSE AUTHORIZES THE LICENSE HOLDER TO SELL BEER,**  
17 **WINE, AND LIQUOR AT RETAIL AT THE PLACE DESCRIBED IN THE LICENSE.**

18                                   **(2) THE LICENSE HOLDER SHALL DELIVER THE BEER, WINE, OR**  
19 **LIQUOR IN A SEALED PACKAGE OR CONTAINER THAT MAY NOT BE OPENED OR ITS**  
20 **CONTENTS CONSUMED ON THE LICENSED PREMISES.**

21                   **(C) THE BOARD SHALL ADOPT REGULATIONS, INCLUDING THE HOURS OF**  
22 **SALE, TO CARRY OUT THIS SECTION.**

23                   **(D) THE ANNUAL LICENSE FEE IS \$1,000.**

24 **25-1005.**

25                   (a) There is a continuing care retirement community license.

26                   (b) The Board may issue the license for use by a club that:

27                                   (1) is composed of residents of a continuing care retirement community  
28 that has obtained a certificate of registration from the Department of Aging under Title 10,  
29 Subtitle 4 of the Human Services Article;

1 (2) has at least 50 members; and

2 (3) has annual dues that average at least \$5 per member.

3 (c) The license authorizes the license holder to sell, at retail at the place described  
4 in the license, beer, wine, and liquor:

5 (1) purchased from the Department of Liquor Control for the County **OR,**  
6 **BEGINNING JULY 1, 2018, FROM A LICENSED WHOLESALER IN ACCORDANCE WITH §**  
7 **25-307(C) OF THIS TITLE;**

8 (2) for on-premises consumption; and

9 (3) to a member or a guest accompanied by a member.

10 (d) The license holder may sell beer, wine, and liquor during the hours and days  
11 as set out for a Class C beer, wine, and liquor license under § 25-2005 of this title.

12 (e) The annual license fee is \$500.

13 25-1007.

14 (a) There is a country club license.

15 (b) The application shall be signed by at least one officer of the club who is a  
16 resident, registered voter, or taxpayer of the County.

17 (c) The Board may issue the license for use by a country club:

18 (1) that has at least 100 members;

19 (2) whose members pay an annual total amount of dues that averages at  
20 least \$50 per member; and

21 (3) that maintains at the time of the license application a regular or  
22 championship golf course of at least nine holes.

23 (d) The license authorizes the license holder to sell beer, wine, and liquor  
24 purchased from the Department of Liquor Control **OR, BEGINNING JULY 1, 2018, FROM**  
25 **A LICENSED WHOLESALER IN ACCORDANCE WITH § 25-307(C) OF THIS TITLE,** for  
26 on-premises consumption by:

27 (1) a country club member;

28 (2) a member of the immediate family of a country club member;

1 (3) an individual residing temporarily in the clubhouse of the country club;  
2 or

3 (4) a guest of a country club member, including an individual who attends  
4 a recognized national or regional athletic event held on the premises of the license holder  
5 if:

6 (i) the license holder has applied to the Board to sell alcoholic  
7 beverages to individuals attending the event;

8 (ii) the application has been made at least 60 days before the date  
9 that the event is to take place; and

10 (iii) the Board has approved the application.

11 (e) The license holder may sell beer, wine, and liquor during the hours and days  
12 as set out for a Class C beer, wine, and liquor license under § 25–2005 of this title.

13 (f) An employee of a country club for which a license has been issued may not  
14 have a guest at the country club to consume alcoholic beverages during the employee's  
15 normal working hours.

16 (g) The annual license fee is \$2,000.

17 25–1905.

18 **(A) [A] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A license**  
19 **holder may sell only alcoholic beverages purchased from the Department of Liquor Control**  
20 **for the County if the holder's license is:**

21 (1) a Class A, Class B, Class H, Class C, or Class D beer license;

22 (2) a Class B, Class C, or Class D beer and wine license; or

23 (3) a Class A–TP, Class B, or Class C beer, wine, and liquor license.

24 **(B) BEGINNING JULY 1, 2018, A LICENSE HOLDER MAY ELECT TO PURCHASE**  
25 **ALCOHOLIC BEVERAGES FROM A LICENSED WHOLESALER UNDER §**  
26 **25–307(C) OF THIS TITLE.**

27 25–2707.

28 (a) **[A] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A**  
29 **pharmacist or pharmacy may not use or dispense alcoholic beverages other than those**  
30 **purchased from the County Department of Liquor Control.**

1           (b) **BEGINNING JULY 1, 2018, A LICENSE HOLDER MAY ELECT TO PURCHASE**  
2 **ALCOHOLIC BEVERAGES FROM A LICENSED WHOLESALER UNDER §**  
3 **25-307(C) OF THIS TITLE.**

4           (c) A person who violates this section on conviction is subject to imprisonment not  
5 exceeding 2 years or a fine not exceeding \$2,000 or both.

6           SECTION 3. AND BE IT FURTHER ENACTED, That before this Act becomes  
7 effective it shall first be submitted to a referendum of the qualified voters of Montgomery  
8 County at the general election to be held in November of 2016. The County governing body  
9 and the Montgomery County Board of Elections shall do those things necessary and proper  
10 to provide for and hold the referendum required by this section. If a majority of the votes  
11 cast on the question are "For the referred law" the provisions of this Act shall become  
12 effective on the 30th day following the official canvass of votes for the referendum, but if a  
13 majority of the votes cast on the question are "Against the referred law" the provisions of  
14 this Act are of no effect and null and void.

15           SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions of  
16 Section 3 of this Act and for the sole purpose of providing for the referendum required by  
17 Section 3 of this Act, this Act shall take effect July 1, 2016.