

SENATE BILL 677

A2

11r2613
CF HB 883

By: **Senator Edwards**

Introduced and read first time: February 3, 2021

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 18, 2021

CHAPTER _____

1 AN ACT concerning

2 **Allegany County – Alcoholic Beverages – ~~Transfer and Auction of Licenses~~ Class**
3 **B–D Beer, Wine, and Liquor License**

4 FOR the purpose of ~~providing for the transfer of certain expired alcoholic beverages licenses~~
5 ~~by the Board of License Commissioners for Allegany County to the County~~
6 ~~Commissioners of Allegany County; requiring the Board to issue a certain number~~
7 ~~of new Class D licenses each year to the County Commissioners for certain purposes;~~
8 ~~authorizing the Board to determine which types of new Class D licenses are issued~~
9 ~~to the County Commissioners; providing that certain licenses are not subject to~~
10 ~~certain limitations; requiring the County Commissioners to conduct a public auction~~
11 ~~each year of certain alcoholic beverages licenses in a certain manner; providing for~~
12 ~~the disposition of the proceeds of certain auctions; providing that certain licenses~~
13 ~~transferred or issued to the County Commissioners are to be held solely for the~~
14 ~~purposes of public auction and not to be exercised by the County Commissioners; and~~
15 ~~generally relating to alcoholic beverages~~ establishing a Class B–D beer, wine, and
16 liquor license in Allegany County; authorizing the Board of License Commissioners
17 for Allegany County to issue a Class B–D license for use by a certain restaurant;
18 authorizing a license holder to sell beer, wine, and liquor for on–premises
19 consumption; requiring a license holder to submit a certain report on request from
20 the Board; authorizing the Board to take certain enforcement actions under certain
21 circumstances; requiring a license holder to demonstrate certain compliance as a
22 prerequisite for license renewal; authorizing a license holder to sell beer, wine, and
23 liquor during certain hours and days; establishing the annual license fee; limiting
24 the number of Class B–D licenses that may be issued in a single year; and generally
25 relating to alcoholic beverages licenses in Allegany County.

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 BY repealing and reenacting, without amendments,
 2 Article – Alcoholic Beverages
 3 Section ~~9–101(a) and (b) and~~ 9–102
 4 Annotated Code of Maryland
 5 (2016 Volume and 2020 Supplement)

6 BY ~~repealing and reenacting, with amendments,~~ adding to
 7 Article – Alcoholic Beverages
 8 Section ~~9–1602~~ 9–902.1 and 9–1607
 9 Annotated Code of Maryland
 10 (2016 Volume and 2020 Supplement)

11 BY repealing and reenacting, with amendments,
 12 Article – Alcoholic Beverages
 13 Section 9–2004
 14 Annotated Code of Maryland
 15 (2016 Volume and 2020 Supplement)

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

18 **Article – Alcoholic Beverages**

19 ~~9–101.~~

20 (a) ~~In this title:~~

21 (1) ~~except as provided in subsection (c) of this section, the definitions in §~~
 22 ~~1–101 of this article apply without exception or variation; and~~

23 (2) ~~the following words have the meanings indicated.~~

24 (b) ~~“Board” means the Board of License Commissioners for Allegany County.~~

25 9–102.

26 This title applies only in Allegany County.

27 ~~9–1602.~~

28 (a) ~~Subject to subsection (b) of this section AND EXCEPT AS PROVIDED IN~~
 29 ~~SUBSECTION (C) OF THIS SECTION, the Board may not issue:~~

30 (1) ~~Class A and Class D beer, wine, and liquor licenses so that the number~~
 31 ~~of licenses issued in each of these classes exceeds one for every 1,300 residents in the~~
 32 ~~county, as determined by the latest federal census; and~~

1 ~~(2) Class A and Class D beer licenses or Class A and Class D beer and light~~
2 ~~wine licenses so that the aggregate number in these classes exceeds one for every 1,300~~
3 ~~residents in the county, as determined by the latest federal census.~~

4 ~~(b) (1) The Board may approve the transfer of a license.~~

5 ~~(2) IN THE CASE OF A LICENSE THAT HAS EXPIRED, THE BOARD~~
6 ~~SHALL TRANSFER THE EXPIRED LICENSE TO THE COUNTY COMMISSIONERS TO BE~~
7 ~~AUCTIONED IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION.~~

8 ~~(c) (1) THE BOARD SHALL ISSUE EACH YEAR TWO NEW CLASS D~~
9 ~~LICENSES TO THE COUNTY COMMISSIONERS TO BE AUCTIONED TO THE PUBLIC IN~~
10 ~~ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION.~~

11 ~~(2) THE BOARD MAY DECIDE WHICH CATEGORIES OF NEW CLASS D~~
12 ~~LICENSES ARE TO BE ISSUED IN A SINGLE YEAR.~~

13 ~~(3) THE LICENSES ISSUED UNDER THIS SUBSECTION ARE NOT~~
14 ~~SUBJECT TO THE LIMITATIONS IN SUBSECTION (A) OF THIS SECTION.~~

15 ~~(d) (1) THE COUNTY COMMISSIONERS SHALL CONDUCT A PUBLIC~~
16 ~~AUCTION EACH YEAR OF THE LICENSES THAT ARE TRANSFERRED UNDER~~
17 ~~SUBSECTION (B)(2) OF THIS SECTION OR ISSUED UNDER SUBSECTION (C) OF THIS~~
18 ~~SECTION.~~

19 ~~(2) THE AUCTION SHALL BE A PUBLIC AUCTION CONDUCTED BY~~
20 ~~SILENT BID ON A DATE AND ON TERMS THAT THE COUNTY COMMISSIONERS~~
21 ~~DETERMINE.~~

22 ~~(3) (i) THE ANNUAL LICENSE FEE SHALL BE PAID TO THE BOARD~~
23 ~~OUT OF THE PROCEEDS OF THE PUBLIC AUCTION.~~

24 ~~(ii) ANY AUCTION PROCEEDS COLLECTED IN EXCESS OF ANY~~
25 ~~LICENSE FEES PAID UNDER SUBPARAGRAPH (i) OF THIS PARAGRAPH SHALL BE~~
26 ~~RETAINED BY THE COUNTY COMMISSIONERS.~~

27 ~~(4) LICENSES TRANSFERRED OR ISSUED TO THE COUNTY~~
28 ~~COMMISSIONERS UNDER SUBSECTION (B)(2) OR (C) OF THIS SECTION ARE:~~

29 ~~(i) TO BE HELD BY THE COUNTY COMMISSIONERS SOLELY FOR~~
30 ~~THE PURPOSES OF PUBLIC AUCTION; AND~~

31 ~~(ii) NOT TO BE EXERCISED BY THE COUNTY COMMISSIONERS.~~

1 9-902.1.

2 (A) THERE IS A CLASS B-D BEER, WINE, AND LIQUOR LICENSE.

3 (B) THE BOARD MAY ISSUE THE LICENSE FOR USE BY A RESTAURANT THAT:

4 (1) IS LOCATED IN A PERMANENT BUILDING WITH AMPLE SPACE AND
5 ACCOMMODATIONS;

6 (2) COMMONLY OFFERS HOT AND COLD MEALS THAT ARE PREPARED,
7 SOLD, AND SERVED TO THE PUBLIC DURING REGULAR BUSINESS HOURS;

8 (3) MAINTAINS A MENU THAT ADVERTISES A VARIETY OF FOOD THAT
9 THE ESTABLISHMENT SERVES;

10 (4) SERVES FOOD AT ALL TIMES WHENEVER ALCOHOLIC BEVERAGES
11 ARE BEING SERVED OR CONSUMED; AND

12 (5) HAS, ON AN ANNUAL BASIS, GROSS SALES OF FOOD AND
13 NONALCOHOLIC BEVERAGES THAT EXCEED ITS GROSS SALES OF ALCOHOLIC
14 BEVERAGES.

15 (C) THE LICENSE AUTHORIZES THE LICENSE HOLDER TO SELL BEER, WINE,
16 AND LIQUOR FOR ON-PREMISES CONSUMPTION.

17 (D) (1) (I) ONCE EVERY LICENSING CYCLE, THE LICENSE HOLDER
18 SHALL COMPLY WITH A REQUEST FROM THE BOARD TO SUBMIT A FOOD ALCOHOL
19 RATIO REPORT COVERING 2 PRECEDING QUARTERS THAT THE BOARD SELECTS TO
20 DEMONSTRATE COMPLIANCE WITH THE ANNUAL GROSS SALES REQUIREMENT
21 UNDER SUBSECTION (B)(5) OF THIS SECTION.

22 (II) TO ENFORCE THIS PARAGRAPH, THE BOARD MAY:

23 1. REQUEST A LICENSE HOLDER TO PROVIDE
24 SUPPORTING DATA OR ADDITIONAL INFORMATION;

25 2. IMPOSE A FINE ON A LICENSE HOLDER; OR

26 3. SUSPEND A LICENSE.

27 (2) A LICENSE HOLDER OR THE LICENSE HOLDER'S ACCOUNTANT
28 SHALL COMPLETE, SIGN, AND PROVIDE FOR THE NOTARIZATION OF THE FOOD
29 ALCOHOL RATIO REPORT.

1 **(3) WHEN SUBMITTING A FOOD ALCOHOL RATIO REPORT, THE**
2 **LICENSE HOLDER SHALL INCLUDE A CURRENT MENU, INFORMATION ON HOURS OF**
3 **OPERATION, AND SALES AMOUNTS AND PERCENTAGES FOR FOOD, NONALCOHOLIC**
4 **BEVERAGES, AND ALCOHOLIC BEVERAGES FOR THE TIME PERIOD REQUESTED.**

5 **(E) AS A PREREQUISITE FOR THE RENEWAL OF THE LICENSE, THE LICENSE**
6 **HOLDER SHALL DEMONSTRATE COMPLIANCE WITH THE ANNUAL GROSS SALES**
7 **REQUIREMENT UNDER SUBSECTION (B)(5) OF THIS SECTION.**

8 **(F) THE LICENSE HOLDER MAY SELL BEER, WINE, AND LIQUOR DURING THE**
9 **HOURS AND DAYS SET OUT FOR A CLASS B–D BEER, WINE, AND LIQUOR LICENSE**
10 **UNDER § 9–2004 OF THIS TITLE.**

11 **(G) THE ANNUAL LICENSE FEE IS \$700.**
12 **9–1607.**

13 **NOT MORE THAN TWO CLASS B–D LICENSES MAY BE ISSUED IN A SINGLE**
14 **YEAR.**

15 **9–2004.**

16 (a) (1) **Except as provided in § 9–2005 of this subtitle for December 31 and**
17 **January 1, a holder of a Class A beer, wine, and liquor license may sell beer, wine, and**
18 **liquor for off–premises consumption:**

19 (i) **on Monday through Saturday from 7 a.m. to 2 a.m. the following**
20 **day; and**

21 (ii) **on Sunday from 11 a.m. to 2 a.m. the following day if the holder:**

22 1. **pays an additional fee of \$250; or**

23 2. **is issued a 2–day Sunday sales permit in accordance with**
24 **paragraph (2) of this subsection.**

25 (2) (i) **The Board may issue a 2–day Sunday sales permit to a holder of**
26 **a Class A beer, wine, and liquor license.**

27 (ii) **An applicant for a 2–day Sunday sales permit need not have**
28 **kitchen facilities on the licensed premises.**

29 (iii) **A 2–day Sunday sales permit authorizes the holder to sell beer,**
30 **wine, and liquor for off–premises consumption on not more than two Sundays in a year**
31 **from 11 a.m. to 2 a.m. the following day.**

1 (iv) The permit fee is \$50 for each time the permit is used.

2 (b) (1) Except as provided in § 9–2005 of this subtitle for December 31 and
3 January 1, a holder of a Class B beer, wine, and liquor license may sell beer, wine, and
4 liquor:

5 (i) on Monday through Saturday, for on–premises and off–premises
6 consumption, from 7 a.m. to 2 a.m. the following day;

7 (ii) on Sunday, for on–premises and off–premises consumption, from
8 11 a.m. to 2 a.m. the following day if the holder:

9 1. pays an additional fee of \$250;

10 2. is issued the license for use in a restaurant in a permanent
11 building with ample space and accommodations where meals are usually prepared, sold, or
12 served to the public when the restaurant is regularly open for business; or

13 3. is issued a 2–day Sunday sales permit in accordance with
14 paragraph (2) of this subsection.

15 (2) (i) The Board may issue a 2–day Sunday sales permit to a holder of
16 a Class B beer, wine, and liquor license, including a Class B beer, wine, and liquor license
17 issued for use in a restaurant or banquet room in a hotel or motel.

18 (ii) An applicant for a 2–day Sunday sales permit need not have
19 kitchen facilities on the licensed premises.

20 (iii) A 2–day Sunday sales permit authorizes the holder to sell beer,
21 wine, and liquor for on–premises and off–premises consumption on not more than two
22 Sundays in a year from 11 a.m. Sunday to 2 a.m. the following day.

23 (iv) The permit fee is \$50 for each time the permit is used.

24 **(C) (1) EXCEPT AS PROVIDED IN § 9–2005 OF THIS SUBTITLE FOR**
25 **DECEMBER 31 AND JANUARY 1, A HOLDER OF A CLASS B–D BEER, WINE, AND**
26 **LIQUOR LICENSE MAY SELL BEER, WINE, AND LIQUOR:**

27 **(I) ON MONDAY THROUGH SATURDAY, FOR ON–PREMISES**
28 **CONSUMPTION, FROM 7 A.M. TO 2 A.M. THE FOLLOWING DAY; AND**

29 **(II) ON SUNDAY:**

30 **1. FROM 11 A.M. TO 2 A.M. THE FOLLOWING DAY IF THE**
31 **HOLDER PAYS AN ADDITIONAL FEE OF \$250; OR**

1 2. IN ACCORDANCE WITH A 2-DAY SUNDAY SALES
2 PERMIT ISSUED UNDER PARAGRAPH (2) OF THIS SUBSECTION.

3 (2) (I) THE BOARD MAY ISSUE A 2-DAY SUNDAY SALES PERMIT TO
4 A HOLDER OF A CLASS B-D BEER, WINE, AND LIQUOR LICENSE.

5 (II) A 2-DAY SUNDAY SALES PERMIT AUTHORIZES THE HOLDER
6 TO SELL BEER, WINE, AND LIQUOR FOR ON-PREMISES CONSUMPTION ON NOT MORE
7 THAN TWO SUNDAYS IN A YEAR FROM 11 A.M. SUNDAY TO 2 A.M. THE FOLLOWING
8 DAY.

9 (III) THE PERMIT FEE IS \$50 FOR EACH TIME THE PERMIT IS
10 USED.

11 [(c)] (D) (1) Except as provided in § 9-2005 of this subtitle for December 31
12 and January 1, a holder of a Class C beer, wine, and liquor license may sell beer, wine, and
13 liquor:

14 (i) on Monday through Saturday, for on-premises and off-premises
15 consumption, from 7 a.m. to 2 a.m. the following day;

16 (ii) on Sunday, for on-premises and off-premises consumption, from
17 11 a.m. to 2 a.m. the following day if the holder:

18 1. pays an additional fee of \$250; or

19 2. is issued a 2-day Sunday sales permit in accordance with
20 paragraph (2) of this subsection.

21 (2) (i) The Board may issue a 2-day Sunday sales permit to a holder of
22 a Class C beer, wine, and liquor license.

23 (ii) An applicant for a 2-day Sunday sales permit need not have
24 kitchen facilities on the licensed premises.

25 (iii) A 2-day Sunday sales permit authorizes the holder to sell beer,
26 wine, and liquor for on-premises and off-premises consumption on not more than two
27 Sundays in a year from 11 a.m. Sunday to 2 a.m. the following day.

28 (iv) The permit fee is \$50 for each time the permit is used.

29 [(d)] (E) (1) Except as provided in § 9-2005 of this subtitle for December 31
30 and January 1, a holder of a Class D beer, wine, and liquor license may sell beer, wine, and
31 liquor:

1 (i) on Monday through Saturday, for on-premises and off-premises
 2 consumption, from 7 a.m. to 2 a.m. the following day;

3 (ii) on Sunday, from 11 a.m. to 2 a.m. the following day if the holder
 4 pays an additional fee of \$250; or

5 (iii) in accordance with a 2-day Sunday sales permit issued under
 6 paragraph (2) of this subsection.

7 (2) (i) The Board may issue a 2-day Sunday sales permit to a holder of
 8 a Class D beer, wine, and liquor license.

9 (ii) An applicant for a 2-day Sunday sales permit need not have
 10 kitchen facilities on the licensed premises.

11 (iii) A 2-day Sunday sales permit authorizes the holder to sell beer,
 12 wine, and liquor for on-premises and off-premises consumption on not more than two
 13 Sundays in a year from 11 a.m. Sunday to 2 a.m. the following day.

14 (iv) The permit fee is \$50 for each time the permit is used.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 16 1, 2021.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.