

## Chapter 568

**(House Bill 974)**

AN ACT concerning

**Prince George's County – Alcoholic Beverages – License Sanctions and Sunday Off-Sale Permits****PG ~~317-20~~ 317-21**

FOR the purpose of altering the alcoholic beverages licenses for which the Board of License Commissioners for Prince George's County may issue a Sunday off-sale permit; authorizing the Board to issue a Sunday off-sale permit to the holder of any Class A alcoholic beverages license; authorizing the Board to issue a Sunday off-sale permit to the holder of any Class B alcoholic beverages license with an off-sale privilege; altering a certain reinvestment requirement for an applicant for a Sunday off-sale permit; repealing the authorization for the Board to waive a certain reinvestment requirement; altering the circumstances under which the Board is required to waive a certain spending requirement for a Class B alcoholic beverages license with an off-sale privilege; requiring the Board to impose a certain fine on a certain permit holder under certain circumstances; providing that the holder of a Class B alcoholic beverages license with a Sunday off-sale permit need not comply with certain requirements; requiring the Board to adopt certain regulations; applying certain annual fees to a Sunday off-sale permit issued to certain license holders; prohibiting the Board from approving a license renewal for certain persons until a certain period has elapsed after the date of a certain felony conviction; requiring the Board to revoke a license if the license holder or a certain stockholder that uses the license is convicted of a certain felony; providing that a license holder or an employee of a license holder who violates a certain provision on underage service is guilty of a misdemeanor and on conviction is subject to imprisonment or a fine or both; requiring the Board to conduct a certain study and issue a certain report to the Prince George's County Executive, the General Assembly, and a certain legislative delegation on or before a certain date; and generally relating to alcoholic beverages and permits in Prince George's County.

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 4-109(a)(9), (10), (12), and (14), 4-407, 6-304, 6-402, 26-102, 26-1408, and 26-1801(c)

Annotated Code of Maryland

(2016 Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 26-1104, 26-1806, 26-2102, and 26-2801

Annotated Code of Maryland  
(2016 Volume and 2020 Supplement)

BY adding to

Article – Alcoholic Beverages

Section 26–2801.1

Annotated Code of Maryland

(2016 Volume and 2020 Supplement)

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

**Article – Alcoholic Beverages**

4–109.

(a) A license application shall state:

(9) that the applicant has never been convicted of a felony;

(10) whether the applicant has ever been found guilty of violating a law in the State governing the sale of alcoholic beverages or the prevention of gambling;

(12) that the applicant has not had a license for the sale of alcoholic beverages revoked;

(14) whether the applicant has been found guilty of violating a State or federal law;

4–407.

(a) A local licensing board:

(1) may not renew a license if the board determines that the license holder is not qualified to obtain a license renewal; but

(2) shall issue to the license holder by way of renewal the class or type of license for which the board determines the license holder is qualified.

(b) (1) Subject to paragraph (2) of this subsection, a local licensing board shall deny a license renewal application if during the license year the license holder was convicted of a State or federal offense that, in the judgment of the board, renders the license holder unfit or unqualified to obtain a renewed license.

(2) A local licensing board:

(i) shall hold a public hearing before renewing a license under the circumstances described in paragraph (1) of this subsection; and

(ii) may inquire into all relevant facts and circumstances concerning the offense at the hearing.

6-304.

A license holder or an employee of the license holder may not sell or provide alcoholic beverages to an individual under the age of 21 years.

6-402.

(a) If a person violates this article and no penalty other than the suspension or revocation of a license or permit is provided, the person is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 2 years or a fine not exceeding \$1,000 or both.

(b) If a court has imposed a penalty on an individual license holder who has obtained a license for or on behalf of a corporation, a partnership, or an unincorporated association:

(1) if the penalty is a fine, the corporation, partnership, or unincorporated association also shall be liable for the payment of the fine; and

(2) if the penalty is imprisonment, the individual license holder shall be liable to serve the term of imprisonment.

26-102.

This title applies only in Prince George's County.

26-1104.

(a) There is a Sunday off-sale permit.

(b) (1) (i) Subject to subsection (f) of this section and subparagraphs (ii) and (iii) of this paragraph and except as provided in paragraph (2) of this subsection, the Board may issue the permit to the holder of:

1. [a] ANY Class A [beer, wine, and liquor] license; or

2. [a] ANY Class B [beer, wine, and liquor] license with an off-sale privilege.

(ii) Five Sunday off-sale permits may be issued only to holders of a Class B beer, wine, and liquor license with an off-sale privilege that acquired the license on or after January 1, 2016.

(iii) Sunday off-sale permits may be issued to holders of a Class A beer, wine, and liquor license that acquired the license on or after January 1, 2016.

(2) The Board may not issue a Sunday off-sale permit to a license holder that the Board finds to have sold liquor on Sunday without a Sunday off-sale permit.

(c) The permit authorizes the holder to sell alcoholic beverages for off-premises consumption on Sunday from 8 a.m. to midnight.

(d) (1) Except as provided in paragraph (2) of this subsection, an applicant for the permit shall commit in the application to ~~reinvesting~~ **SPENDING** a minimum of \$50,000 ~~in the business~~ **TO REHABILITATE AND RENOVATE THE INTERIOR OR EXTERIOR OF THE LICENSED PREMISES** within 1 year after the permit is issued.

(2) ~~(i) The Board may waive the reinvestment requirement.~~

~~(ii)~~ The Board shall waive the ~~reinvestment~~ **SPENDING** requirement for a holder of a Class B beer, wine, and liquor license with an off-sale privilege that acquired the license on or after January 1, 2016, if the holder can show **THROUGH RECEIPTS** that a minimum of \$50,000 was ~~reinvested in the business~~ **SPENT TO REHABILITATE AND RENOVATE THE INTERIOR OR EXTERIOR OF THE LICENSED PREMISES** within the 3-year period immediately preceding the submission of the application.

(3) The Board shall revoke the permit **AND IMPOSE A FINE ON THE PERMIT HOLDER NOT EXCEEDING \$5,000** if:

(i) the Board did not waive the ~~reinvestment~~ **SPENDING** requirement under paragraph (2) of this subsection; and

(ii) the permit holder fails to ~~make~~ **SPEND** the **MONEY AS** required ~~reinvestment~~, **EVIDENCED BY RECEIPTS FOR WORK DONE AND INSPECTIONS OF THE LICENSED PREMISES.**

(e) If the permit is issued to the holder of a Class B [beer, wine, and liquor] license with an off-sale privilege, the holder need not comply with any restaurant or food requirement.

(f) Not more than 105 Sunday off-sale permits may be in effect at any one time.

**(G) THE BOARD SHALL ADOPT REGULATIONS TO IMPLEMENT THE SPENDING REQUIREMENTS UNDER SUBSECTION (D) OF THIS SECTION.**

~~(E)~~ **(H)** (1) The application fee for the permit is \$750.

(2) The annual fees for the permit are:

(i) \$2,590 for the holder of a Class A [beer, wine, and liquor] license;

and

(ii) \$1,080 for the holder of a Class B [beer, wine, and liquor] license with an off-sale privilege.

(3) The fees listed in paragraphs (1) and (2) of this subsection are in addition to the annual fee for the Class A [beer, wine, and liquor] license or Class B [beer, wine, and liquor] license to which it is attached.

26-1408.

In addition to the statement required under § 4-109(a)(9) of this article, an applicant for a license shall include a signed statement that if the application is made on behalf of a corporation, that neither the applicant nor any of the stockholders of the corporation have been convicted of a felony.

26-1801.

(c) The following sections of Title 4, Subtitle 4 (“Renewal of Local Licenses”) of Division I of this article apply in the county:

(1) § 4-405 (“Contents of renewal application”), subject to § 26-1804 of this subtitle;

(2) § 4-406 (“Protests”), subject to § 26-1803 of this subtitle; and

(3) § 4-407 (“Denial of renewal application”), subject to § 26-1806 of this subtitle.

26-1806.

(a) **[The] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE** Board may approve or deny a license renewal if the license holder or a stockholder of the corporation that uses the license has been convicted of a felony.

(b) The Board:

(1) shall hold a public hearing before approving or denying the license renewal; and

(2) may inquire into all relevant facts and circumstances concerning the felony offense at the hearing.

**(C) IN THE CASE OF A CONVICTION FOR A FELONY THAT IS RELATED TO OPERATIONS UNDER THE LICENSE, THE BOARD MAY NOT APPROVE A LICENSE RENEWAL FOR A LICENSE HOLDER OR STOCKHOLDER OF A CORPORATION THAT USES THE LICENSE UNTIL AT LEAST 10 YEARS HAVE ELAPSED AFTER THE DATE OF THE FELONY CONVICTION.**

26–2102.

(a) In this section, “conviction” includes:

(1) a verdict or plea of guilty;

(2) the forfeiture of a bond or collateral accepted on a pending charge, warrant, or indictment before a court; or

(3) the revocation or suspension of a license by the Board because of a violation of this article or regulations adopted under this article.

**(b) (1) THE BOARD SHALL REVOKE A LICENSE IF A LICENSE HOLDER OR A STOCKHOLDER OF A CORPORATION THAT USES THE LICENSE IS CONVICTED OF A FELONY THAT IS RELATED TO OPERATIONS UNDER THE LICENSE.**

**(2)** The Board may revoke a license if:

(i) within 2 years a license holder is convicted twice for a violation concerning an illegal sale of alcoholic beverages in or on the licensed premises on Sunday; or

(ii) within 2 years there are two convictions of the same agent or employee of a license holder for a violation concerning illegal sales of alcoholic beverages in or on the licensed premises on Sunday.

**[(2)] (3)** The Board may revoke a license for:

(i) a felony conviction of a license holder or a stockholder of a corporation having the use of a license; or

(ii) failure to comply with § 26–1613(c) of this title.

~~[(3)]~~ (4) The Board may:

(i) allow a closing of the licensed premises for a reasonable period of time; but

(ii) revoke the license for the closing of the licensed premises for more than 30 days without the approval of the Board.

(c) The Board may suspend a license for at least 30 days for:

(1) a conviction of the license holder for a violation concerning an illegal sale of alcoholic beverages in or on the licensed premises on Sunday; or

(2) two or more convictions of different agents or employees of a license holder for a violation concerning an illegal sale of alcoholic beverages in or on the licensed premises on Sunday.

(d) (1) If a license holder has not complied with the residency requirements specified in § 4–103, § 4–104, or § 4–105 of this article or Subtitle 14 of this title, the Board may revoke or suspend the license.

(2) The Board may revoke or suspend a license:

(i) for a conviction of the license holder for a violation of any State law concerning gambling in or on the licensed premises; or

(ii) if, within 2 years, there are two convictions of one or more of the agents or employees of a license holder for violations concerning gambling in or on the licensed premises.

(3) The Board may revoke or suspend a license that has been issued or transferred if the license has not been placed in operation after 6 months following the issuance or transfer.

(e) The Board may revoke, suspend, or refuse to renew a license, or refuse to issue a license to an applicant, if the license holder or applicant willfully failed or refused to pay hotel/motel taxes due to the county within 60 days after the license holder or applicant received the first notice of delinquency.

(f) Two or more violations against the same license holder, agent, or employee or affecting the same premises occurring on the same day are considered one offense.

26–2801.

Section 6–402 (“General penalty”) of Division I of this article applies in the county, **SUBJECT TO § 26–2801.1 OF THIS SUBTITLE.**

**26-2801.1.**

IN ADDITION TO ANY ADMINISTRATIVE PENALTY THAT MAY APPLY, A LICENSE HOLDER OR AN EMPLOYEE OF A LICENSE HOLDER WHO VIOLATES § 6-304 OF THIS ARTICLE OR § 10-117 OF THE CRIMINAL LAW ARTICLE IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING ~~4 YEARS~~ ~~18 MONTHS~~ 2 YEARS OR A FINE NOT EXCEEDING \$2,000 OR BOTH.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) On or before January 1, 2023, the Board of License Commissioners for Prince George's County shall conduct a study of Sunday off-sale permits to determine:

(1) how many permit holders failed to make the required reinvestment under § 26-1104(d) of the Alcoholic Beverages Article, as enacted by Section 1 of this Act; and

(2) how many times the reinvestment requirement was waived under § 26-1104(d)(2) of the Alcoholic Beverages Article, as enacted by Section 1 of this Act.

(b) On completion of the study under subsection (a) of this section, the Board shall submit a report of its findings to the Prince George's County Executive and, in accordance with § 2-1257 of the State Government Article, the General Assembly and the Prince George's County House Delegation of the General Assembly.

SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2021.

**Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.**