

HOUSE BILL 1340

A2

4r1611
CF 4r3413

By: **Delegate Anderton**

Introduced and read first time: February 9, 2024

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 8, 2024

CHAPTER _____

1 AN ACT concerning

2 **Wicomico County – Alcoholic Beverages – Monopoly of Liquor Control Board**
3 **and Dispensary – Repeal**

4 FOR the purpose of repealing the monopoly of the Liquor Control Board for Wicomico
5 County and its dispensaries on the sale and distribution of certain liquor at
6 wholesale in the county; authorizing the holders of certain alcoholic beverages
7 licenses to purchase alcoholic beverages from a dispensary or a wholesaler; repealing
8 the prohibition on delivery of certain liquor by certain wholesalers in Wicomico
9 County; and generally relating to alcoholic beverages in Wicomico County.

10 BY repealing and reenacting, without amendments,
11 Article – Alcoholic Beverages and Cannabis
12 Section 32–102, 32–301, 32–901(a), 32–902(a), 32–903(a), 32–904, and 32–1003(a)
13 Annotated Code of Maryland
14 (2016 Volume and 2023 Supplement)

15 BY repealing
16 Article – Alcoholic Beverages and Cannabis
17 Section 32–306 and 32–504
18 Annotated Code of Maryland
19 (2016 Volume and 2023 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – Alcoholic Beverages and Cannabis
22 Section 32–309, 32–501, 32–901(e), 32–902(e), 32–903(d), and 32–1003(c)

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 Annotated Code of Maryland
2 (2016 Volume and 2023 Supplement)

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

5 **Article – Alcoholic Beverages and Cannabis**

6 32–102.

7 This title applies only in Wicomico County.

8 32–301.

9 (a) In this subtitle the following words have the meanings indicated.

10 (b) “Dispensary” means a store established and maintained by the Liquor Control
11 Board for the sale of alcoholic beverages.

12 (c) “Liquor Control Board” means the Liquor Control Board for the county.

13 [32–306.

14 Subject to § 1–319 of this article, the Liquor Control Board has a monopoly on the
15 sale and distribution in the county of:

16 (1) wine that contains more than 15.5% alcohol by volume; and

17 (2) liquor.]

18 32–309.

19 (a) The Liquor Control Board may establish and maintain stores known as
20 “dispensaries”.

21 (b) A dispensary:

22 (1) may sell sparkling or fortified wine or other alcoholic beverages
23 containing more than 14% alcohol by volume; and

24 (2) shall sell the alcoholic beverages in sealed packages or containers.

25 (c) A dispensary may sell chilled and nonchilled ~~beer, wine,~~ liquor, ice, or
26 bottled water.

1 (d) (1) [All] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
2 SUBSECTION, ALL alcoholic beverages other than beer and wine shall be purchased from
3 the Liquor Control Board.

4 (2) A HOLDER OF A CLASS A, B, C, OR D LICENSE MAY PURCHASE
5 ALCOHOLIC BEVERAGES FROM A DISPENSARY OR A WHOLESALER.

6 (e) A dispensary shall sell liquor at wholesale to a beer, wine, and liquor license
7 holder:

8 (1) for a Class A, B, or C license, at a markup not exceeding 15% above the
9 operating cost to the dispensary; or

10 (2) for a Class D license, at a markup not exceeding 15% above the
11 wholesale cost to the dispensary.

12 ~~f~~(f) (1) The Liquor Control Board may hold wine tasting and sampling
13 promotional events in dispensaries in accordance with this subsection.

14 (2) The Liquor Control Board:

15 (i) may not serve to an individual more than 1 ounce from each
16 brand at an event;

17 (ii) may not allow more than six wine bottles to be open at any one
18 time at an event;

19 (iii) may not conduct events in the county on more than 10 days in
20 any 12-month period;

21 (iv) shall mark each wine bottle used for an event, once opened, that
22 it is to be used only for tasting or sampling;

23 (v) may not mix the contents of a wine bottle with the contents of
24 another wine bottle;

25 (vi) shall destroy all empty wine bottles;

26 (vii) shall allow on-premises consumption at an event; and

27 (viii) may not conduct wine tasting and sampling using a
28 drive-through window. ~~f~~

29 ~~f~~(g) ~~f~~ A person may not open or consume the contents of a sealed container or
30 package on the premises of the dispensary where sold.

1 ~~[(h)] (6)~~ Title 4, Subtitle 2 of this article does not apply to this section.
2 32-501.

3 [(a)] The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
4 Division I of this article apply in the county without exception or variation:

5 (1) § 2-301 (“Licenses issued by Comptroller”);

6 **(2) § 2-302 (“CLASS 1 BEER, WINE, AND LIQUOR WHOLESALER’S**
7 **LICENSE”);**

8 **(3) § 2-303 (“CLASS 2 WINE AND LIQUOR WHOLESALER’S LICENSE”);**

9 [(2)] (4) § 2-304 (“Class 3 beer and wine wholesaler’s license”);

10 [(3)] (5) § 2-305 (“Class 4 beer wholesaler’s license”);

11 [(4)] (6) § 2-306 (“Class 5 wine wholesaler’s license”);

12 [(5)] (7) § 2-307 (“Class 6 limited wine wholesaler’s license”);

13 [(6)] (8) § 2-308 (“Class 7 limited beer wholesaler’s license”);

14 [(7)] (9) § 2-309 (“Sale and delivery of beer or wine from wholesaler’s
15 vehicle”);

16 [(8)] (10) § 2-310 (“Sale and delivery to retail license holder”);

17 [(9)] (11) § 2-311 (“Additional wholesaler’s licenses”);

18 [(10)] (12) § 2-312 (“Direct importation of alcoholic beverages”);

19 [(11)] (13) § 2-313 (“Sale or delivery restricted to holder of license or
20 permit”);

21 [(12)] (14) § 2-314 (“Beer sale on credit to retail dealer prohibited”);

22 [(13)] (15) § 2-315 (“Interaction between wholesaling entities and
23 retailers”);

24 [(14)] (16) § 2-316 (“Distribution of alcoholic beverages — Prohibited
25 practices”); and

1 [(15)] (17) § 2–317 (“Restrictive agreements between wholesalers and
2 retailers — Prohibited”).

3 [(b) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
4 Division I of this article apply in the county, subject to § 32–504 of this subtitle:

5 (1) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”); and

6 (2) § 2–303 (“Class 2 wine and liquor wholesaler’s license”).]

7 [32–504.

8 A holder of a Class 1 beer, wine, and liquor or Class 2 wine and liquor wholesaler’s
9 license may not sell or deliver liquor in the county for resale except to a county dispensary.]

10 32–901.

11 (a) There is a Class A beer, wine, and liquor license.

12 (e) (1) The license holder shall purchase liquor for retail sale from a county
13 dispensary **OR FROM A WHOLESALER.**

14 (2) [The] **A DISPENSARY MAY NOT CHARGE THE** license holder [shall be
15 charged not] more than 15% above the wholesale operating cost to the dispensary.

16 32–902.

17 (a) There is a Class B beer, wine, and liquor license.

18 (e) (1) The license holder shall purchase liquor for retail sale from a county
19 dispensary **OR FROM A WHOLESALER.**

20 (2) [The] **A DISPENSARY MAY NOT CHARGE THE** license holder [shall be
21 charged not] more than 15% above the wholesale operating cost to the [county] dispensary.

22 32–903.

23 (a) There is:

24 (1) a 6–day Class C beer, wine, and liquor license; and

25 (2) a 7–day Class C beer, wine, and liquor license.

26 (d) [(1)] A license holder shall purchase alcoholic beverages for retail sale,
27 except beer and wine, from the Liquor Control Board **OR FROM A WHOLESALER.**

1 [(2) A license holder may purchase a bottle from the Liquor Control Board
2 under paragraph (1) of this subsection that is stamped or otherwise designated “on-sale
3 only” by the Liquor Control Board.]

4 32–904.

5 (a) There is a Class D beer, wine, and liquor license.

6 (b) The Board may issue the license for use by a tavern that, not including the
7 dance floor or bar area, has seating for at least 140 individuals.

8 (c) The license authorizes the license holder to sell beer, wine, and liquor at retail
9 at the place described in the license for on-premises consumption 7 days a week.

10 (d) An individual under the legal drinking age may not enter the licensed
11 premises.

12 (e) The license may not be issued for use by a drugstore.

13 (f) The annual license fee is \$2,200.

14 32–1003.

15 (a) There is a Class B beer, wine, and liquor (golf course) license.

16 (c) (1) The license holder may sell beer, wine, and liquor for consumption on
17 the land and in the buildings, including the clubhouse, used for golfing purposes.

18 (2) A patron need not be seated to be served.

19 [(3) (i) Alcoholic beverages other than beer and wine that are sold or
20 offered for sale shall be purchased from the Liquor Control Board.

21 (ii) Each bottle containing alcoholic beverages shall be stamped or
22 otherwise designated “on-sale only” by the Liquor Control Board.]

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2024.