

HOUSE BILL 929

A2

7lr2624

By: **Delegate Beitzel**

Introduced and read first time: February 6, 2017

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2017

CHAPTER _____

1 AN ACT concerning

2 **Garrett County – Alcoholic Beverages – Licenses and Sunday Sales**

3 FOR the purpose of authorizing a Class 9 limited distillery license to be issued to a holder
4 of a certain Class B license in Garrett County; altering the underlying licenses that
5 may be held by a recipient of a Class BDR (deluxe restaurant) beer and wine license
6 issued in Garrett County; altering the alcoholic beverages that may be sold for
7 on–premises consumption and off–premises consumption at a hotel, motel, or
8 restaurant; altering certain catering options for certain licenses; altering certain
9 restrictions regarding a license for use by a deluxe restaurant; repealing certain
10 Sunday license fees for certain licenses; altering the hours of sale on Sunday for
11 certain licenses; allowing the holder of a certain Class C license to purchase certain
12 alcoholic beverages from a retailer; specifying that a requirement for a criminal
13 history records check may apply to an applicant for license renewal; authorizing a
14 holder of a Class B beer license to sell beer on certain days during certain hours;
15 specifying certain license holders that may sell alcoholic beverages on Sunday under
16 certain circumstances; making certain technical changes; clarifying certain
17 language; and generally relating to alcoholic beverages licenses and Sunday sales of
18 alcoholic beverages in Garrett County.

19 BY repealing and reenacting, without amendments,

20 Article – Alcoholic Beverages

21 Section 21–102, 21–803(a), 21–902(a), 21–904(b), 21–905(a)(1), 21–1002(a),
22 21–1304(a)(1), and 21–1305(a)(1)

23 Annotated Code of Maryland

24 (2016 Volume and 2016 Supplement)

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.



BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages
Section 21-401, 21-803(b), 21-902(e) and (f), 21-903, 21-904(f), 21-905(d),
21-1002(c), 21-1304(f), 21-1305(b) and (g), 21-1309(a), 21-1312, 21-1804,
21-2002, 21-2003, 21-2004, 21-2006, and 21-2102(a)
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

BY adding to
Article – Alcoholic Beverages
Section 21-403.1
Annotated Code of Maryland
(2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

21-102.

This title applies only in Garrett County.

21-401.

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

(1) § 2-201 (“Issuance by Comptroller”);

(2) [§ 2-203 (“Class 9 limited distillery license”);

(3)] § 2-205 (“Class 3 winery license”);

[(4)] (3) § 2-207 (“Class 5 brewery license”);

[(5)] (4) § 2-209 (“Class 7 micro-brewery license”);

[(6)] (5) § 2-211 (“Residency requirement”);

[(7)] (6) § 2-212 (“Additional licenses”);

[(8)] (7) § 2-213 (“Additional fees”);

[(9)] (8) § 2-214 (“Sale or delivery restricted”);

~~[(10)] (9)~~ § 2-215 (“Beer sale on credit to retail dealer prohibited”);

~~[(11)] (10)~~ § 2-216 (“Interaction between manufacturing entities and
retailers”);

~~[(12)] (11)~~ § 2-217 (“Distribution of alcoholic beverages – Prohibited
practices”); and

~~[(13)] (12)~~ § 2-218 (“Restrictive agreements between producers and
retailers – Prohibited”).

(b) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of
Division I of this article apply in the county:

(1) § 2-202 (“Class 1 distillery license”), subject to § 21-403 of this subtitle;

**(2) § 2-203 (“CLASS 9 LIMITED DISTILLERY LICENSE”), SUBJECT TO
§ 21-403.1 OF THIS SUBTITLE;**

~~[(2)] (3)~~ § 2-204 (“Class 2 rectifying license”), subject to § 21-404 of this
subtitle;

~~[(3)] (4)~~ § 2-206 (“Class 4 limited winery license”), subject to § 21-405 of
this subtitle;

~~[(4)] (5)~~ § 2-208 (“Class 6 pub-brewery license”), subject to § 21-406 of
this subtitle; and

~~[(5)] (6)~~ § 2-210 (“Class 8 farm brewery license”), subject to § 21-407 of
this subtitle.

21-403.1.

**A CLASS 9 LIMITED DISTILLERY LICENSE MAY BE ISSUED TO A HOLDER OF A
CLASS B LICENSE THAT HAS:**

(1) ON-SALE PRIVILEGES FOR BEER, WINE, AND LIQUOR; AND

(2) OFF-SALE PRIVILEGES FOR BEER.

21-803.

(a) There is a Class BDR (deluxe restaurant) beer and wine license.

(b) The license may be issued to a holder of a Class B beer **LICENSE OR A CLASS B BEER** and wine license [or a Class B beer, wine, and liquor license].

21–902.

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

(e) The license authorizes the license holder to sell [beer, wine, and liquor] at a hotel, motel, or restaurant at retail at the place described in the license[, for on–premises consumption]:

(1) BEER, WINE, AND LIQUOR FOR ON–PREMISES CONSUMPTION; AND

(2) BEER FOR OFF–PREMISES CONSUMPTION.

(f) (1) The catering option authorizes the license holder to sell beer, wine, and liquor for consumption at events catered by the license holder in the county off the licensed premises.

(2) A license holder providing alcoholic beverages at a catered event off the licensed premises shall also provide food.

(3) [A holder of a license with the catering option may sell beer for off–premises consumption from the licensed premises but may not sell beer for off–premises consumption at a catered event held off the licensed premises.

(4)] The license holder may exercise catering privileges only during hours and days that are authorized under the Class B license.

21–903.

(a) There is a Class BDR (deluxe restaurant) beer, wine, and liquor license.

(b) The Board may issue the license to a holder of:

(1) A CLASS B BEER AND WINE LICENSE;

[(1)] (2) a Class B beer, wine, and liquor license; or

[(2)] (3) a Class B Resort beer, wine, and liquor license.

(c) (1) The Board may issue the license for use by a deluxe restaurant as defined by the Board with:

(i) seating **AT TABLES, NOT INCLUDING SEATS AT BARS OR COUNTERS**, for at least 85 individuals; and

(ii) a capital investment of at least \$250,000 for the restaurant facilities, not including the cost of land or buildings.

(2) If an applicant purchases or leases an existing building, the capital investment attributable to the cost of the land and improvements shall be based on the assessed value of the land and improvements in accordance with the records of the State Department of Assessments and Taxation at the time of purchase or lease.

(3) THE LICENSE AUTHORIZES THE LICENSE HOLDER TO SELL, AT RETAIL, AT THE PLACE DESCRIBED IN THE LICENSE:

(I) BEER, WINE, AND LIQUOR FOR ON-PREMISES CONSUMPTION; AND

(II) BEER FOR OFF-PREMISES CONSUMPTION.

(d) **(1) A license holder of a Class BDR license may acquire [the] A catering option [authorized under § 21-902 of this subtitle] THAT AUTHORIZES THE LICENSE HOLDER TO SELL BEER, WINE, AND LIQUOR FOR CONSUMPTION AT EVENTS CATERED BY THE LICENSE HOLDER IN THE COUNTY OFF THE LICENSED PREMISES.**

(2) A LICENSE HOLDER PROVIDING ALCOHOLIC BEVERAGES AT A CATERED EVENT OFF THE LICENSED PREMISES SHALL ALSO PROVIDE FOOD.

(3) THE LICENSE HOLDER MAY EXERCISE CATERING PRIVILEGES ONLY DURING HOURS AND DAYS THAT ARE AUTHORIZED UNDER THE CLASS B LICENSE.

(e) [The license holder may sell beer, wine, and liquor during the hours and days of sale as set out in § 21-2004(d) of this title.

(f)] The annual license fees are:

(1) \$2,250 for a 6-day license without a catering option;

(2) \$2,750 for a 6-day license with a catering option;

(3) \$2,625 for a 7-day license without a catering option; and

(4) \$3,125 for a 7-day license with a catering option.

[(g)] (F) The Board shall charge a one-time issuing fee for a new license in an amount equal to the annual license fee.

21-904.

(b) There is a Class C (club and organization) beer, wine, and liquor license.

(f) (1) This subsection applies only in:

(i) election districts 11 and 15; and

(ii) any other election district or precinct of an election district in which the voters in a referendum authorized by law approve Sunday sales.

(2) The license holder may sell beer, wine, and liquor on Sunday during the hours as set out under § 21–2004(e)(2) of this title.

[(3) In addition to the fees specified in subsection (g) of this section, fees for exercising the privileges of the license on Sunday are:

(i) \$250, as an annual license fee; and

(ii) \$250, as an issuance fee for a new license.]

21–905.

(a) (1) There is:

(i) a Class D (75% on-sale) beer, wine, and liquor license; and

(ii) a Class D (75% off-sale) beer, wine, and liquor license.

(d) (1) [A holder of the license without a catering option may sell beer, wine, and liquor for on- or off-premises consumption.

(2)] A holder of the license with a catering option may sell beer, wine, and liquor[:

(i) for on- or off-premises consumption; and

(ii) subject to paragraph (3) of this subsection,] for consumption at events that the holder caters off the licensed premises during the hours and days that the Board allows.

[(3)] (2) The license holder shall provide food if the license holder provides alcoholic beverages at a catered event off the licensed premises.

21–1002.

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

(c) The license authorizes the license holder to [exercise the same privileges as a license holder of a regular Class B hotels and restaurants beer, wine, and liquor license] **SELL AT A HOTEL, MOTEL, OR RESTAURANT AT RETAIL AT THE PLACE DESCRIBED IN THE LICENSE:**

(1) BEER, WINE, AND LIQUOR FOR ON-PREMISES CONSUMPTION; AND

(2) BEER FOR OFF-PREMISES CONSUMPTION.

21-1304.

(a) (1) There is a beer festival license.

(f) Notwithstanding subsection (e)(1) of this section, a holder of a beer festival license issued for a location at which Sunday sales are allowed under § 21-2002(e) of this title may make Sunday sales[:

(1)] beginning at [1 p.m.; and

(2) without a consumer placing an order for a meal before or with an order for an alcoholic beverage.] **10 A.M.**

21-1305.

(a) (1) There is a wine festival license.

(b) The Board may issue the license to:

(1) a holder of a retail license, Class 3 winery license, or Class 4 limited winery license; or

(2) a person that is eligible to hold [any type of] **A Class C MULTIPLE DAY OR MULTIPLE EVENT** license [that the Board issues].

(g) Notwithstanding subsection (f)(3)(i) of this section, a holder of a wine festival license issued for use in a location where Sunday sales are allowed [under § 21-2001(e) of this title] may make Sunday sales[:

(1)] beginning at 10 a.m.[; and

(2) without a consumer placing an order for a meal before or with an order for an alcoholic beverage.]

21-1309.

(a) The Board may issue a Class C multiple day beer license, beer and wine license, and beer, wine, and liquor license **TO A CLUB** for the following fees and license types:

(1) \$50 for a 2-day license;

(2) \$150 for a 6-day license; and

(3) \$300 for a 12-day license.

21-1312.

A holder of a Class C per diem beer, wine, and liquor license may purchase beer and wine from a wholesaler **OR BEER, WINE, AND LIQUOR FROM A RETAILER.**

21-1804.

The requirement for a criminal history records check under § 4-107 of this article [applies] **MAY APPLY** to an applicant for a license renewal.

21-2002.

(a) This section does not apply to the hours of sale on December 31 and January 1 set out in § 21-2007 of this subtitle.

(b) A holder of a Class A beer license may sell beer on Monday through Saturday from 6 a.m. to 2 a.m. the following day.

(c) **A HOLDER OF A CLASS B BEER LICENSE MAY SELL BEER ON MONDAY THROUGH SATURDAY FROM 6 A.M. TO 2 A.M. THE FOLLOWING DAY.**

(d) Reserved.

(e) [(1)] A holder of a Class D beer license may sell beer on Monday through Saturday from 6 a.m. to 2 a.m. the following day.

[(2) (i)] (F) [Subject to subparagraph (ii) of this paragraph,] Sunday sales **FOR A CLASS A, CLASS B, OR CLASS D LICENSE** are allowed from [1 p.m.] **10 A.M.** to [10 p.m.] **MIDNIGHT** in:

[1.] (1) election districts 11 and 15; and

[2.] (2) any other election district or precinct of an election district in which the voters in a referendum authorized by law approve Sunday sales as specified in this paragraph.

1 [(ii) A holder of a Class D beer license may sell beer on Sunday for
2 on-premises consumption if the licensed premises:

3 1. is in a permanent building;

4 2. has a seating capacity at tables, not including seats at bars
5 or counters, for at least 20 individuals;

6 3. is equipped with a full-service commercial kitchen capable
7 of preparing and serving full-course meals for at least 20 individuals at one seating; and

8 4. is approved by the Board, the Department of Public
9 Utilities, the Health Department, and the Planning and Land Development Office of the
10 county.

11 (iii) Sunday sales are allowed from 1 p.m. to 10 p.m.

12 (iv) In addition to the usual license fee, fees for exercising the
13 privileges of the license on Sunday are:

14 1. \$250, as an annual license fee; and

15 2. \$250, as an issuing fee for a new license.]

16 21-2003.

17 (a) This section does not apply to the hours of sale on December 31 and January
18 1 set out in § 21-2007 of this subtitle.

19 (b) **(1)** A holder of a Class A beer and wine license may sell beer and wine on
20 Monday through Saturday, from 6 a.m. to 2 a.m. the following day.

21 **(2) SUNDAY SALES ARE ALLOWED FROM 10 A.M. TO MIDNIGHT IN:**

22 **(I) ELECTION DISTRICTS 11 AND 15; AND**

23 **(II) ANY OTHER ELECTION DISTRICT OR PRECINCT OF AN**
24 **ELECTION DISTRICT IN WHICH THE VOTERS IN A REFERENDUM AUTHORIZED BY LAW**
25 **APPROVE SUNDAY SALES AS SPECIFIED IN THIS PARAGRAPH.**

26 (c) (1) A holder of a Class B beer and wine license may sell beer and wine on
27 Monday through Saturday, from 6 a.m. to 2 a.m. the following day.

28 (2) **[(i)]** Sunday sales are allowed from **[1 p.m.] 10 A.M.** to **[10 p.m.]**
29 **MIDNIGHT** in:

1 [1.] (I) election districts 11 and 15; and

2 [2.] (II) any other election district or precinct of an election
3 district in which the voters in a referendum authorized by law approve Sunday sales as
4 specified in this paragraph.

5 [(ii) In addition to the usual license fee, fees for exercising the
6 privileges of the license on Sunday are:

- 7 1. \$250, as an annual license fee; and
8 2. \$250, as an issuing fee for a new license.]

9 (d) Reserved.

10 (e) (1) A holder of a Class D beer and wine license may sell beer and wine on
11 Monday through Saturday, from 6 a.m. to 2 a.m. the following day.

12 (2) [(i) Subject to subparagraph (ii) of this paragraph,] Sunday sales are
13 allowed from [1 p.m.] **10 A.M.** to [10 p.m.] **MIDNIGHT** in:

14 [1.] (I) election districts 11 and 15; and

15 [2.] (II) any other election district or precinct of an election
16 district in which the voters in a referendum authorized by law approve Sunday sales as
17 specified in this paragraph.

18 [(ii) A holder of a Class D beer and wine license may sell beer and
19 wine on Sunday for on-premises consumption if the licensed premises:

- 20 1. is in a permanent building;
21 2. has a seating capacity at tables, not including seats at bars
22 or counters, for at least 20 individuals;
23 3. is equipped with a full-service commercial kitchen capable
24 of preparing and serving full-course meals for at least 20 individuals at one seating; and
25 4. is approved by the Board, the Department of Public
26 Utilities, the Health Department, and the Planning and Land Development Office of the
27 county.

28 (iii) In addition to the usual license fee, fees for exercising the
29 privileges of the license on Sunday are:

- 30 1. \$250, as an annual license fee; and

2. \$250, as an issuing fee for a new license.]

21–2004.

(a) This section does not apply to the hours of sale on December 31 and January 1 set out in § 21–2007 of this subtitle.

(b) [A holder of a Class A beer, wine, and liquor license may sell beer, wine, and liquor on Monday through Saturday, from 6 a.m. to 2 a.m. the following day.] **RESERVED.**

(c) (1) A holder of a Class B beer, wine, and liquor license may sell beer, wine, and liquor on Monday through Saturday, from 6 a.m. to 2 a.m. the following day.

(2) [(i)] Sunday sales are allowed from [1 p.m.] **10 A.M.** to [10 p.m.] **MIDNIGHT** in:

[1.] **(I)** election districts 11 and 15; and

[2.] **(II)** any other election district or precinct of an election district in which the voters in a referendum authorized by law approve Sunday sales as specified in this paragraph.

[(ii)] In addition to the usual license fee, fees for exercising the privileges of the license on Sunday are:

1. \$250 in addition to the usual license fee; and

2. \$250, as an issuing fee for a new license.]

(d) **(1)** A holder of a Class BDR (deluxe restaurant) beer, wine, and liquor license may sell beer, wine, and liquor on Monday through Saturday, from 6 a.m. to 2 a.m. the following day.

(2) SUNDAY SALES ARE ALLOWED FROM 10 A.M. TO MIDNIGHT IN:

(I) ELECTION DISTRICTS 11 AND 15; AND

(II) ANY OTHER ELECTION DISTRICT OR PRECINCT OF AN ELECTION DISTRICT IN WHICH THE VOTERS IN A REFERENDUM AUTHORIZED BY LAW APPROVE SUNDAY SALES AS SPECIFIED IN THIS PARAGRAPH.

(e) (1) A holder of a Class C beer, wine, and liquor license may sell beer, wine, and liquor on Monday through Saturday, from 6 a.m. to 2 a.m. the following day.

(2) [(i)] Sunday sales are allowed from [1 p.m.] **10 A.M.** to [10 p.m.] **MIDNIGHT** in:

[1.] **(I)** election districts 11 and 15; and

[2.] **(II)** any other election district in which the voters by referendum approve Sunday sales.

[(ii)] In addition to the usual license fee, fees for exercising the privileges of the license on Sunday are:

1. \$250 in addition to the usual license fee; and

2. \$250, as an issuing fee for a new license.]

(f) (1) A holder of a Class D beer, wine, and liquor license may sell beer, wine, and liquor on Monday through Saturday, from 6 a.m. to 2 a.m. the following day.

(2) [(i)] Subject to subparagraph (ii) of this paragraph,] Sunday sales are allowed from [1 p.m.] **10 A.M.** to [10 p.m.] **MIDNIGHT** in:

[1.] **(I)** election districts 11 and 15; and

[2.] **(II)** any other election district or precinct of an election district in which the voters in a referendum authorized by law approve Sunday sales as specified in this paragraph.

[(ii)] A holder of a Class D beer, wine, and liquor license may sell beer, wine, and liquor on Sunday for on-premises consumption if the licensed premises:

1. is in a permanent building;

2. has a seating capacity at tables, not including seats at bars or counters, for at least 20 individuals;

3. is equipped with a full-service commercial kitchen capable of preparing and serving full-course meals for at least 20 individuals at one seating; and

4. is approved by the Board, the Department of Public Utilities, the Health Department, and the Planning and Land Development Office of the county.

(iii) In addition to the usual license fee, fees for exercising the privileges of the license on Sunday are:

1. \$250, as an annual license fee; and

2. \$250, as an issuing fee for a new license.]

21–2006.

(a) This section applies in [an election district or a precinct of an election district in which the voters in a referendum authorized by law approve Sunday sales as specified in this section]:

(1) ELECTION DISTRICTS 11 AND 15; AND

(2) ANY OTHER ELECTION DISTRICT OR PRECINCT OF AN ELECTION DISTRICT IN WHICH THE VOTERS IN A REFERENDUM AUTHORIZED BY LAW APPROVE SUNDAY SALES AS SPECIFIED IN THIS SECTION.

(b) (1) [Subject to paragraph (2) of this subsection, this] **THIS** section applies only to off–premises sales by:

(i) a holder of a Class A license;

(ii) a holder of a Class B license, **INCLUDING A CLASS B&B LICENSE, CLASS BDR LICENSE, AND RESORT LICENSE;**

(iii) a holder of a [Class C license] **MULTIPLE DAY OR MULTIPLE EVENT LICENSE;** and

(iv) a holder of a Class D license.

(2) A holder of a license listed in paragraph (1) of this subsection may sell alcoholic beverages for off–premises consumption on a Sunday if the license holder may sell alcoholic beverages for off–premises consumption for the underlying license.

(C) (1) THIS SUBSECTION APPLIES TO ON–PREMISES SALES BY:

(I) A HOLDER OF A CLASS B LICENSE, INCLUDING A CLASS B&B LICENSE, CLASS BDR LICENSE, AND RESORT LICENSE;

(II) A HOLDER OF A CLASS C LICENSE;

(III) A HOLDER OF A MULTIPLE DAY OR MULTIPLE EVENT LICENSE; AND

(IV) A HOLDER OF A CLASS D LICENSE.

(2) A HOLDER OF A LICENSE SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION MAY SELL ALCOHOLIC BEVERAGES FOR ON-PREMISES CONSUMPTION ON SUNDAY IF THE LICENSE HOLDER IS AUTHORIZED BY THE UNDERLYING LICENSE TO SELL ALCOHOLIC BEVERAGES FOR ON-PREMISES CONSUMPTION.

[(c)] (3) Sunday sales authorized under this [section] SUBSECTION are from [1 p.m.] 10 A.M. to [10 p.m.] MIDNIGHT.

[(d)] (1) This subsection does not apply to a holder of a Class C license.

(2) The Sunday sales fee is \$250 for the holder of a Class A license, Class B license, or Class D license.

(3) When the Class A license, Class B license, or Class D license is issued, the Board shall charge a \$250 issuing fee.]

21–2102.

(a) In addition to the grounds for suspension in § 4–604 of this article, the Board may suspend a license for a time not exceeding 1 year for:

(1) the sale of alcoholic beverages to an individual under the age of 21 years; or

(2) the sale on Sunday of alcoholic beverages in an election district **OR A PRECINCT OF AN ELECTION DISTRICT** in which Sunday sales have not been authorized by a voter referendum.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.