

SENATE BILL 456

A1
SB 815/23 – FIN

4lr1739
CF 4lr1738

By: **Senator A. Washington**

Introduced and read first time: January 22, 2024

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Retail Delivery – Local Delivery Service Permit**

3 FOR the purpose of establishing a local delivery service permit that authorizes the holder
4 to deliver alcoholic beverages from a certain retail license holder that is authorized
5 to deliver alcoholic beverages to purchasers in a certain jurisdiction under certain
6 circumstances; authorizing certain retail license holders to deliver alcoholic
7 beverages to purchasers in a certain jurisdiction through a third-party contractor,
8 an independent contractor, or an agent that holds a certain delivery service permit
9 under certain circumstances; altering certain standards and requirements for the
10 retail delivery of alcoholic beverages; and generally relating to retail delivery of
11 alcoholic beverages.

12 BY repealing and reenacting, with amendments,
13 Article – Alcoholic Beverages and Cannabis
14 Section 4–507
15 Annotated Code of Maryland
16 (2016 Volume and 2023 Supplement)

17 BY adding to
18 Article – Alcoholic Beverages and Cannabis
19 Section 4–1107
20 Annotated Code of Maryland
21 (2016 Volume and 2023 Supplement)

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

24 **Article – Alcoholic Beverages and Cannabis**

25 4–507.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(a) This section does not apply to:

(1) the delivery of wine from a direct wine shipper to a consumer using a common carrier in accordance with Title 2, Subtitle 1, Part V of this article; or

(2) the holder of a common carrier permit in the course of delivering directly shipped wine in accordance with Title 2, Subtitle 1, Part V of this article.

(b) Retail delivery to a purchaser of alcoholic beverages is prohibited unless:

(1) a retail license holder obtains a letter of authorization from the local licensing board to make deliveries; and

(2) the delivery is made from the licensed premises by [the retail license holder or an employee of the retail license holder]:

(I) THE RETAIL LICENSE HOLDER;

(II) AN EMPLOYEE OF THE RETAIL LICENSE HOLDER; OR

(III) A THIRD-PARTY CONTRACTOR, AN INDEPENDENT CONTRACTOR, OR AN AGENT THAT:

1. HOLDS A LOCAL DELIVERY SERVICE PERMIT ISSUED UNDER § 4-1108 OF THIS TITLE; AND

2. HAS CONTRACTED WITH THE RETAIL LICENSE HOLDER TO MAKE DELIVERIES OF ALCOHOLIC BEVERAGES.

4-1107.

(A) THIS SECTION APPLIES ONLY IN A JURISDICTION WHERE THE LOCAL LICENSING BOARD HAS ADOPTED REGULATIONS TO AUTHORIZE THE DELIVERY OF ALCOHOLIC BEVERAGES BY A THIRD-PARTY CONTRACTOR, AN INDEPENDENT CONTRACTOR, OR AN AGENT.

(B) A LOCAL LICENSING BOARD MAY ISSUE A LOCAL DELIVERY SERVICE PERMIT.

(C) THE PERMIT AUTHORIZES THE HOLDER TO DELIVER ALCOHOLIC BEVERAGES FROM A RETAIL LICENSE HOLDER AUTHORIZED TO DELIVER ALCOHOLIC BEVERAGES UNDER § 4-507 OF THIS TITLE TO AN INDIVIDUAL IN THE JURISDICTION WHERE THE RETAIL LICENSE HOLDER IS LOCATED.

(D) A LOCAL LICENSING BOARD MAY SET BY REGULATION:

(1) THE APPLICATION REQUIREMENTS FOR THE LOCAL DELIVERY SERVICE PERMIT; AND

(2) ADDITIONAL REQUIREMENTS FOR HOLDERS OF THE LOCAL DELIVERY SERVICE PERMIT WHO DELIVER ALCOHOLIC BEVERAGES ON BEHALF OF A RETAIL LICENSE HOLDER.

(E) (1) THE LOCAL LICENSING BOARD MAY CHARGE A FEE FOR THE LOCAL DELIVERY SERVICE PERMIT.

(2) THE ANNUAL FEE FOR THE LOCAL DELIVERY SERVICE PERMIT IS \$1,000.

(F) A LOCAL DELIVERY SERVICE PERMIT HOLDER MAY:

(1) USE THE DELIVERY SERVICE'S EMPLOYEES OR INDEPENDENT CONTRACTORS WHO ARE AT LEAST 21 YEARS OLD TO DELIVER ALCOHOLIC BEVERAGES; AND

(2) FACILITATE ORDERS FOR THE SALE AND DELIVERY OF ALCOHOLIC BEVERAGES BY TELEPHONE, INTERNET, OR OTHER ELECTRONIC MEANS.

(G) THE PURCHASER OR RECEIVER OF ALCOHOLIC BEVERAGES UNDER THIS SECTION SHALL:

(1) BE AT LEAST 21 YEARS OLD; AND

(2) PROVIDE VALID IDENTIFICATION AS PROOF OF AGE ON RECEIPT OF THE ALCOHOLIC BEVERAGES.

(H) ALCOHOLIC BEVERAGES SOLD FOR OFF-PREMISES DELIVERY UNDER THIS SECTION SHALL BE:

(1) PROVIDED IN THE MANUFACTURER'S ORIGINAL SEALED CONTAINER; AND

(2) SOLD ONLY DURING THE HOURS THE RETAIL LICENSE HOLDER IS OPEN FOR IN-STORE PURCHASES.

(I) AN INDIVIDUAL DELIVERING ALCOHOLIC BEVERAGES UNDER A LOCAL DELIVERY SERVICE PERMIT SHALL:

(1) BE AT LEAST 21 YEARS OLD; AND

(2) HAVE SUCCESSFULLY COMPLETED AN APPROVED ALCOHOL AWARENESS PROGRAM UNDER § 4-505 OF THIS TITLE.

(J) A LOCAL DELIVERY SERVICE PERMIT HOLDER MAY NOT DELIVER ALCOHOLIC BEVERAGES TO:

(1) AN INDIVIDUAL WHO DOES NOT PROVIDE VALID IDENTIFICATION PROVING THAT THE INDIVIDUAL IS AT LEAST 21 YEARS OLD;

(2) ANOTHER PREMISES LICENSED TO SELL ALCOHOLIC BEVERAGES; OR

(3) AN INDIVIDUAL LOCATED OUTSIDE THE JURISDICTION WHERE THE RETAIL LICENSE HOLDER IS LOCATED.

(K) A LOCAL DELIVERY SERVICE PERMIT HOLDER IS SUBJECT TO THE FOLLOWING PENALTIES FOR VIOLATING THIS SECTION:

(1) FOR A FIRST VIOLATION, A FINE OF \$1,000;

(2) FOR A SECOND VIOLATION, A FINE OF \$3,000 AND A SUSPENSION OF THE LOCAL DELIVERY SERVICE PERMIT FOR 30 DAYS;

(3) FOR A THIRD VIOLATION, A FINE OF \$6,000 AND A SUSPENSION OF THE LOCAL DELIVERY SERVICE PERMIT FOR 60 DAYS; AND

(4) FOR ANY SUBSEQUENT VIOLATION, REVOCATION OF THE LOCAL DELIVERY SERVICE PERMIT.

(L) THE HOLDER OF A LOCAL DELIVERY SERVICE PERMIT MAY NOT:

(1) SELL ALCOHOLIC BEVERAGES; OR

(2) STORE ALCOHOLIC BEVERAGES FOR DELIVERY.

(M) (1) A PERSON SHALL APPLY TO THE LOCAL LICENSING BOARD FOR A LOCAL DELIVERY SERVICE PERMIT BEFORE CONTRACTING TO DELIVER ALCOHOLIC BEVERAGES FOR A RETAIL LICENSE HOLDER.

1 **(2) IF A RETAIL LICENSE HOLDER CONTRACTS WITH A LOCAL**
2 **DELIVERY SERVICE PERMIT HOLDER TO DELIVER ALCOHOLIC BEVERAGES, THE**
3 **RETAIL LICENSE HOLDER AND THE LOCAL DELIVERY SERVICE PERMIT HOLDER**
4 **SHALL ESTABLISH A METHOD TO ENSURE THAT THE RETAIL LICENSE HOLDER**
5 **RETAINS CONTROL OVER SALES TO AND PAYMENTS MADE FROM A PURCHASER FOR**
6 **THE ALCOHOLIC BEVERAGES.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2024.