

SENATE BILL 514

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2003 Regular Session
3r1574
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By: **Senator Harris**

Introduced and read first time: January 31, 2003

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 7, 2003

CHAPTER 98

1 AN ACT concerning

2 **Alcoholic Beverages - Sale of Out-of-State Wine ~~—Wholesalers~~**

3 FOR the purpose of ~~repealing certain requirements imposed on wholesalers of~~
4 ~~alcoholic beverages concerning the direct sale of wine from outside the State to~~
5 ~~consumers in the State under a direct wine seller's permit; requiring that wine~~
6 ~~that is delivered to a personal consumer is shipped to a certain retail dealer;~~
7 ~~requiring that a retail dealer keep certain records and identifying numbers;~~
8 ~~repealing making a certain service charge rate payable to certain wholesalers or~~
9 ~~retail dealers under certain circumstances; requiring the Office of the~~
10 Comptroller to create and disseminate a certain list including certain
11 information; and generally relating to the direct sale of wine from outside the
12 State to consumers in the State.

13 ~~BY repealing and reenacting, without amendments,~~
14 ~~Article 2B—Alcoholic Beverages~~
15 ~~Section 7.5-101(a) and (b)~~
16 ~~Annotated Code of Maryland~~
17 ~~(2001 Replacement Volume and 2002 Supplement)~~

18 BY repealing and reenacting, with amendments,
19 Article 2B - Alcoholic Beverages
20 Section ~~7.5-106 through 7.5-109~~ 7.5-108
21 Annotated Code of Maryland
22 (2001 Replacement Volume and 2002 Supplement)

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

1

Article 2B - Alcoholic Beverages2 ~~7.5-101.~~3 (a) ~~In this subtitle the following words have the meanings indicated.~~4 (b) ~~"Direct wine seller" means the holder of a direct wine seller's permit issued~~
5 ~~under this subtitle.~~6 ~~7.5-106.~~7 (a) ~~Wine that is delivered to a personal consumer shall be {:~~8 (1) ~~Shipped} SHIPPED freight prepaid to a {wholesaler} RETAIL DEALER~~
9 ~~licensed in this State who is designated by the Alcohol and Tobacco Tax Division of the~~
10 ~~Office of the Comptroller{; and~~11 (2) ~~Delivered by the wholesaler to a retail dealer}.~~12 (b) ~~The Alcohol and Tobacco Tax Division of the Office of the Comptroller shall~~
13 ~~record the receipt and disposition of all wine sold by direct wine sellers.~~14 (c) ~~The {wholesaler} RETAIL DEALER shall keep a record of the shipping~~
15 ~~invoice to:~~16 (1) ~~Provide the Office of the Comptroller with a documentary trail; and~~17 (2) ~~Notify the personal consumer of any health or welfare recall.~~18 ~~7.5-107.~~19 (a) ~~The direct wine seller shall list the contents of the shipment on the outside~~
20 ~~of the shipping package with an identifying number that the {wholesaler} RETAIL~~
21 ~~DEALER shall record.~~22 (b) ~~{The wholesaler and} A retail dealer {act} ACTS solely as {facilitators} A~~
23 ~~FACILITATOR in the shipping process and {do} DOES not have title to the wine vested~~
24 ~~in {them} THE RETAIL DEALER.~~25 {(c) ~~The wholesaler who receives the shipment may not enter the wine into the~~
26 ~~wholesaler's inventory but shall deliver the wine on the wholesaler's next delivery~~
27 ~~date to the retail dealer that the direct wine seller designates.}~~28 ~~7.5-108.~~29 (a) ~~A personal consumer shall take personal delivery of the shipment at the~~
30 ~~licensed premises of the retail dealer promptly on receiving notice from the retail~~
31 ~~dealer.~~

1 (b) [A] IF THE WHOLESALER OR RETAIL DEALER CHOOSES TO IMPOSE A
2 SERVICE CHARGE, A personal consumer shall pay service charges that are not subject
3 to the Maryland sales tax to:

4 (1) The ~~THE~~ retail dealer when the consumer takes delivery at the rate
5 of \$5 per bottle but not more than \$10 per shipment; and

6 (2) The wholesaler at the rate of \$2 per bottle but not more than \$4 per
7 shipment.

8 (c) A personal consumer may not receive more than 108 liters of wine in total
9 from one or more direct wine sellers in a permit year.

10 ~~7.5-109.~~

11 The ~~[wholesaler and the] retail dealer [do] DOES not bear the risk of loss and~~
12 ~~[are] IS not liable for any product defect, product contamination, or other product or~~
13 ~~packaging damage except for damage that [they cause] THE RETAIL DEALER~~
14 ~~CAUSES.~~

15 SECTION 2. AND BE IT FURTHER ENACTED, That:

16 (a) The Office of the Comptroller shall create and provide a list of wholesalers
17 who are willing to participate in the handling of direct wine shipments.

18 (b) The list created under subsection (a) of this section:

19 (1) shall be posted on the website for the Office of the Comptroller;

20 (2) shall be provided, free-of-charge, to any individual who requests
21 information regarding direct wine shipments; and

22 (3) shall include the name of the wholesaler, a contact person for the
23 wholesaler, and a contact phone number for the wholesaler.

24 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 June 1, 2003.