

SENATE BILL 27

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2004 Regular Session
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(PRE-FILED)

By: **Senator Brinkley**
Requested: November 13, 2003
Introduced and read first time: January 14, 2004
Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 16, 2004

CHAPTER 79

1 AN ACT concerning

2 **Alcoholic Beverages - Winery Special Event and Charity Wine Auction**
3 **Permits**

4 FOR the purpose of ~~altering the length of time for which a winery special event~~
5 ~~permit is effective~~; altering the frequency for issuing winery special event
6 permits; repealing a certain requirement for the issuance of a permit; altering
7 the fee for charity wine auction permits; and generally relating to winery special
8 event and charity wine auction permits.

9 BY repealing and reenacting, with amendments,
10 Article 2B - Alcoholic Beverages
11 Section 2-101(o) and(u)(1) and (2)
12 Annotated Code of Maryland
13 (2001 Replacement Volume and 2003 Supplement)

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

16 **Article 2B - Alcoholic Beverages**

17 2-101.

18 (o) (1) In this subsection the following words have the meanings indicated.

19 (i) "Charitable organization" means an organization that is a
20 benevolent, educational, philanthropic, humane, patriotic, religious, or eleemosynary
21 organization that solicits or obtains contributions solicited from the public for

1 charitable or benevolent purposes, and that is registered with the Secretary of State
2 as required by law.

3 (ii) "Charitable organization" includes a chapter, branch, area
4 office, or similar affiliate which has its principal place of business outside the State.

5 (iii) "Charitable organization" does not include a political party,
6 political committee, political club, an agency of the State government or political
7 subdivision, a fraternal organization, fire fighters, rescue or ambulance squads, or
8 police or other law enforcement organization.

9 (2) A wine auction permit, provided for under this subsection, may not be
10 issued for use within Montgomery County.

11 (3) The Office of the Comptroller may issue a 1-day wine auction permit
12 to a charitable organization.

13 (4) The permit authorizes the holder to sell wine at public or private
14 auction to any consumer through the solicitation and acceptance of bids.

15 (5) The permit may be granted for:

16 (i) An unlicensed premises;

17 (ii) A Class B or C licensed premises; or

18 (iii) In Baltimore City, a Class B-D-7 licensed premises.

19 (6) The permit fee is [~~\$500~~] \$10.

20 (7) (i) The permit authorizes the holder to conduct 1 auction of wine
21 during a calendar year.

22 (ii) Only 1 permit shall be issued to each charity during a calendar
23 year.

24 (8) (i) A permit holder may receive wine for the auction from:

25 1. A wholesaler licensed under this article;

26 2. A Class 3 or Class 4 winery licensed under this article;

27 3. A retail dealer licensed under this article;

28 4. A private individual residing in the State; or

29 5. A business entity that is located in the State and not
30 licensed under this article.

31 (ii) A permit holder may receive commercially-produced wine that
32 is not authorized for distribution and sale in the State from:

- 1 1. A nonresident private individual; or
2 2. A business entity that is located outside of this State.

3 (9) (i) Wine that is received from the following sources is subject to
4 Maryland tax as provided under § 5-102 of the Tax - General Article:

- 5 1. Wholesalers licensed under this article;
6 2. Class 3 and 4 wineries licensed under this article; and
7 3. Any other source outside of this State.

8 (ii) Wine that is received from the following sources is presumed to
9 have been tax-paid:

- 10 1. Retail dealers licensed under this article;
11 2. Private individuals residing in this State; and
12 3. Business entities that are located in this State and not
13 licensed under this article.

14 (10) (i) Within 30 days from the close of the auction, the permit holder
15 shall file a report and pay all taxes that are due and owing on the wine that is
16 received for the auction.

17 (ii) The report shall be filed with the Office of the Comptroller and
18 shall include the total number of gallons of wine that was received for the auction and
19 the sources from which it was received.

20 (iii) The Office of the Comptroller shall provide the forms for the
21 report.

22 (11) The Office of the Comptroller may require that, within 7 days from
23 the date of the auction, the permit holder prepay a satisfactory sum to cover the
24 anticipated wine tax that is due and owing.

25 (12) (i) Wines that have been purchased at auction shall be delivered to
26 the purchaser at the event or from a licensed warehouse or retail premises or other
27 premises that is approved by the Office of the Comptroller.

28 (ii) All wines delivered are subject to the applicable State sales
29 taxes.

30 (13) Notwithstanding any other provision of this article, any person
31 authorized to sell wine at retail may purchase any wine offered at a wine auction,
32 provided for under this section, in an amount not exceeding 5 gallons (18 liters) and
33 may resell it in accordance with the terms of their license.

1 (14) The Office of the Comptroller may adopt regulations to implement
2 the provisions of this subsection.

3 (u) (1) The Office of the Comptroller may issue a winery special event
4 permit to a licensed Class 4 Maryland limited winery, provided that:

5 (i) No more than 12 winery special event permits are issued to the
6 Class 4 Maryland limited winery in any given calendar year;

7 (ii) The permit does not exceed ~~{3} 40~~ consecutive days; and

8 (iii) No more than ~~one~~ THREE winery special event ~~permit is~~
9 PERMITS ARE issued in any calendar ~~{year}~~ MONTH to any given limited winery for
10 use in the same political subdivision.

11 (2) The winery special event permit may only be issued for an event
12 which:

13 (i) Has as its major purpose an activity other than the sale and
14 promotion of alcoholic beverages and for which the participation of the winery is a
15 subordinate activity;

16 (ii) [Is organized and conducted by a nonprofit organization or
17 government entity;

18 (iii)] Is approved by the Department of Agriculture and the Office of
19 the Comptroller; and

20 [(iv)] (III) Is held on a nonlicensed premises or a premises on which a
21 person may obtain a temporary alcoholic beverages license.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 June 1, 2004.