

# SENATE BILL 248

A1  
SB 566/10 – EHE

11r0341  
CF HB 234

By: **Senators Raskin, Astle, Benson, Brinkley, Brochin, Colburn, Dyson, Forehand, Frosh, Garagiola, Getty, Glassman, Jacobs, Jennings, Jones–Rodwell, Kasemeyer, Kelley, King, Kittleman, Madaleno, Manno, Montgomery, Muse, Pinsky, Pipkin, Pugh, Ramirez, Reilly, Robey, Shank, Young, and Zirkin**

Introduced and read first time: January 28, 2011

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 25, 2011

## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Alcoholic Beverages – Direct Wine ~~Shipper’s Permit~~ Shipment**

3 FOR the purpose of repealing provisions that provide for a direct wine seller’s permit;  
4 establishing a direct wine shipper’s permit to be issued by the Office of the  
5 Comptroller; authorizing the Office ~~of the Comptroller~~ to issue a common  
6 carrier permit to certain persons; specifying a certain common carrier permit  
7 fee; requiring a person to ~~be licensed~~ obtain a certain permit before the person  
8 ~~or the person’s agent~~ may engage in shipping wine directly to a direct wine  
9 consumer in the State; requiring an applicant to meet certain qualifications for  
10 a direct wine shipper’s permit, submit an application and a copy of its current  
11 alcoholic beverages license or proof of the applicant’s status to the Office ~~of the~~  
12 ~~Comptroller~~, and pay a certain fee; specifying the term of a direct wine shipper’s  
13 permit; requiring a direct wine shipper to perform certain actions; prohibiting a  
14 direct wine shipper from shipping more than a certain amount of wine ~~annually~~  
15 each year to any one consumer or delivery address or ~~make~~ making deliveries  
16 on Sunday; requiring a direct wine shipper to meet certain requirements to  
17 renew the permit; authorizing the Office ~~of the Comptroller~~ to deny a renewal  
18 application under certain circumstances; specifying certain requirements for  
19 receiving a direct shipment of wine; requiring a common carrier to make a  
20 certain report; requiring a common carrier to submit certain information to the  
21 Comptroller in a certain manner at certain times; requiring a common carrier to

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 verify certain information each year in a certain manner; requiring certain  
 2 persons to maintain certain records for a certain period; allowing a shipment of  
 3 wine to be ordered or purchased through electronic or other means; authorizing  
 4 the Office of the Comptroller to adopt certain regulations; prohibiting a person  
 5 without a permit from shipping wine directly to consumers in the State;  
 6 providing that each violation of certain provisions is a separate violation,  
 7 subject to certain penalties; providing for the application of certain provisions  
 8 concerning delivery of alcoholic beverages; requiring a certain security to be  
 9 posted under certain circumstances; defining certain terms; making certain  
 10 technical corrections; altering a certain definition; requiring the Comptroller to  
 11 study certain matters and submit a report to certain committees on or before a  
 12 certain date; making the provisions of this Act severable; and generally relating  
 13 to the establishment of a direct wine shipper's permit.

14 BY repealing

15 Article 2B – Alcoholic Beverages  
 16 Section 7.5–101 through 7.5–110 and the title “Title 7.5. Direct Wine Seller’s  
 17 Permit”  
 18 Annotated Code of Maryland  
 19 (2005 Replacement Volume and 2010 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article 2B – Alcoholic Beverages  
 22 Section 2–101(b)(1)(i) and (g), 9–102(a), 12–301, 14–202, and 15–204(b)  
 23 Annotated Code of Maryland  
 24 (2005 Replacement Volume and 2010 Supplement)

25 BY adding to

26 Article 2B – Alcoholic Beverages  
 27 Section 2–101(y); and 7.5–101 through ~~7.5–113~~ 7.5–114 to be under the new  
 28 title “Title 7.5. Direct Wine Shipper’s Permit”  
 29 Annotated Code of Maryland  
 30 (2005 Replacement Volume and 2010 Supplement)

31 BY repealing and reenacting, without amendments,

32 Article 2B – Alcoholic Beverages  
 33 Section 16–503  
 34 Annotated Code of Maryland  
 35 (2005 Replacement Volume and 2010 Supplement)

36 BY repealing and reenacting, without amendments,

37 Article – Tax – General  
 38 Section 5–101(a)  
 39 Annotated Code of Maryland  
 40 (2010 Replacement Volume)

41 BY repealing and reenacting, with amendments,

1 Article – Tax – General  
 2 Section 5–101(f), 5–201(d), and 13–825(b)  
 3 Annotated Code of Maryland  
 4 (2010 Replacement Volume)

5 BY adding to  
 6 Article – Tax – General  
 7 Section 13–825(i)  
 8 Annotated Code of Maryland  
 9 (2010 Replacement Volume)

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 11 MARYLAND, That Section(s) 7.5–101 through 7.5–110 and the title “Title 7.5. Direct  
 12 Wine Seller’s Permit” of Article 2B – Alcoholic Beverages of the Annotated Code of  
 13 Maryland be repealed.

14 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 15 read as follows:

16 **Article 2B – Alcoholic Beverages**

17 2–101.

18 (b) (1) (i) The Office of the Comptroller shall collect a fee for the  
 19 issuance or renewal of the following permits:

20 1. \$50 for a solicitor’s permit, an individual storage  
 21 permit, a nonresident winery permit, or a commercial nonbeverage permit;

22 2. \$75 for a public storage permit, a public  
 23 transportation permit, or an import and export permit;

24 3. \$200 for a public storage and transportation permit, a  
 25 nonresident dealer’s permit, a resident dealer’s permit, or a bulk transfer permit;

26 4. \$400 for a family beer and wine facility permit; ~~and~~

27 5. **[\$10] \$100 \$200** for **ISSUANCE OR RENEWAL OF** a  
 28 direct wine [seller’s permit] **SHIPPER’S PERMIT; AND**

29 **6. \$100 FOR A COMMON CARRIER PERMIT.**

30 (g) **(1)** The permit authorizes the operation of a warehouse for the storage  
 31 of alcoholic beverages for the accounts of other persons and for the transportation for  
 32 the accounts of other persons of alcoholic beverages into, within, or out of this State.

33 **(2)** A permit may be issued for transportation or storage, or both.

1           **(3)** A license or permit holder need not have a transportation permit to  
2 deliver alcoholic beverages which under this article the licensee or permit holder is  
3 authorized to acquire, store, sell, or use.

4           **(Y) (1) THE OFFICE OF THE COMPTROLLER MAY ISSUE A COMMON**  
5 **CARRIER PERMIT TO A PERSON WHO MEETS THE DEFINITION OF A “COMMON**  
6 **CARRIER” UNDER § 7.5–101 OF THIS ARTICLE.**

7           **(2) THE HOLDER OF A COMMON CARRIER PERMIT MAY DELIVER**  
8 **WINE FROM A LOCATION INSIDE OR OUTSIDE THE STATE TO A CONSUMER IN**  
9 **THE STATE FOR THE CONSUMER’S PERSONAL USE UNDER TITLE 7.5 OF THIS**  
10 **ARTICLE.**

11           **(3) THE HOLDER OF A COMMON CARRIER PERMIT THAT**  
12 **DELIVERS WINE SOLELY UNDER TITLE 7.5 OF THIS ARTICLE MAY NOT BE**  
13 **REQUIRED TO OBTAIN A TRANSPORTATION PERMIT ISSUED UNDER SUBSECTION**  
14 **(G) OF THIS SECTION IN ADDITION TO THE COMMON CARRIER PERMIT.**

15                           **TITLE 7.5. DIRECT WINE SHIPPER’S PERMIT.**

16           **7.5–101.**

17           **(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
18 **INDICATED.**

19           **(B) (1) “COMMON CARRIER” MEANS A BUSINESS ENTITY THAT**  
20 **HOLDS:**

21                           **(I) HOLDS ITSELF OUT AS BEING AVAILABLE TO THE**  
22 **PUBLIC TO TRANSPORT IN INTERSTATE OR FOREIGN COMMERCE FOR**  
23 **COMPENSATION ANY CLASS OF PASSENGER OR PROPERTY; AND**

24                           **(II) HOLDS A COMMON CARRIER PERMIT ISSUED UNDER §**  
25 **2–101(Y) OF THIS ARTICLE.**

26                           **(2) “COMMON CARRIER” DOES NOT INCLUDE A BUSINESS ENTITY**  
27 **THAT TRANSPORTS ONLY PROPERTY IT OWNS OR THAT IS CONSIGNED TO IT.**

28           **(C) “DIRECT WINE SHIPPER” MEANS THE HOLDER OF A DIRECT WINE**  
29 **SHIPPER’S PERMIT ISSUED UNDER THIS TITLE.**

1           (D) ~~“WINE POMACE BRANDY” INCLUDES~~ MEANS BRANDY THAT IS  
2 DISTILLED FROM THE PULPY RESIDUE OF THE WINE PRESS, INCLUDING THE  
3 SKINS, PIPS, AND STALKS OF GRAPES.

4           (E) (1) “WINE” INCLUDES POMACE BRANDY.

5                       (2) “WINE” DOES NOT INCLUDE BEER, DISTILLED SPIRITS, OR  
6 ANY ALCOHOLIC BEVERAGE OTHER THAN WINE.

7   **7.5-102.**

8           A PERSON SHALL BE ISSUED A DIRECT WINE SHIPPER’S PERMIT BY THE  
9 OFFICE OF THE COMPTROLLER AS A DIRECT WINE SHIPPER BEFORE THE  
10 PERSON ~~OR THE PERSON’S AGENT~~ MAY ENGAGE IN SHIPPING WINE DIRECTLY TO  
11 A CONSUMER IN THE STATE.

12   **7.5-103.**

13           TO QUALIFY FOR A DIRECT WINE SHIPPER’S PERMIT, AN APPLICANT  
14 SHALL BE:

15                       (1) A PERSON LICENSED OUTSIDE THE STATE TO ENGAGE IN THE  
16 MANUFACTURE OF WINE; OR

17                       ~~(2) AN AUTHORIZED BRAND OWNER OF WINE, A UNITED STATES~~  
18 ~~IMPORTER OF WINE, OR A DESIGNATED MARYLAND AGENT OF A BRAND OWNER~~  
19 ~~OR UNITED STATES IMPORTER;~~

20                       ~~(3) (2)~~ A HOLDER OF A CLASS 3 MANUFACTURER’S LICENSE OR A  
21 CLASS 4 MANUFACTURER’S LICENSE ISSUED UNDER THIS ARTICLE; ~~OR~~

22                       ~~(4) A PERSON LICENSED BY THE STATE OR OUTSIDE THE STATE~~  
23 ~~TO ENGAGE IN THE RETAIL SALE OF WINE FOR CONSUMPTION OFF THE~~  
24 ~~PREMISES.~~

25   **7.5-104.**

26           (A) AN APPLICANT FOR A DIRECT WINE SHIPPER’S PERMIT SHALL:

27                       (1) SUBMIT TO THE OFFICE OF THE COMPTROLLER A  
28 COMPLETED APPLICATION ON A FORM THAT THE OFFICE OF THE  
29 COMPTROLLER PROVIDES;

30                       (2) PROVIDE TO THE OFFICE OF THE COMPTROLLER;

1 ~~(I) A COPY OF THE APPLICANT'S CURRENT ALCOHOLIC~~  
 2 ~~BEVERAGES LICENSE; OR~~

3 ~~(H) PROOF OF THE APPLICANT'S STATUS AS:~~

4 ~~1. AN AUTHORIZED BRAND OWNER OF WINE;~~

5 ~~2. A UNITED STATES IMPORTER OF WINE; OR~~

6 ~~3. A DESIGNATED MARYLAND AGENT OF A BRAND~~  
 7 ~~OWNER; AND~~

8 ~~(3) PAY A FEE OF \$100~~ A COPY OF THE APPLICANT'S CURRENT  
 9 ALCOHOLIC BEVERAGES LICENSE; AND

10 (2) PAY A FEE OF \$200 FOR INITIAL ISSUANCE OF THE DIRECT  
 11 WINE SHIPPER'S PERMIT.

12 (B) THE OFFICE OF THE COMPTROLLER SHALL ISSUE A DIRECT WINE  
 13 SHIPPER'S PERMIT TO EACH APPLICANT WHO MEETS THE REQUIREMENTS OF  
 14 THIS TITLE FOR THE DIRECT WINE SHIPPER'S PERMIT.

15 7.5-105.

16 A DIRECT WINE SHIPPER'S PERMIT ENTITLES THE HOLDER TO SELL WINE  
 17 MANUFACTURED BY THE HOLDER THROUGH A HOLDER OF A COMMON CARRIER  
 18 PERMIT TO A CONSUMER BY RECEIVING AND FILLING ORDERS THAT THE  
 19 CONSUMER TRANSMITS BY ELECTRONIC OR OTHER MEANS.

20 7.5-106.

21 THE TERM OF A DIRECT WINE SHIPPER'S PERMIT IS 1 YEAR AND BEGINS  
 22 ON ~~THE DAY THE COMPTROLLER ISSUES THE PERMIT~~ JULY 1.

23 7.5-107.

24 (A) A DIRECT WINE SHIPPER SHALL:

25 (1) ENSURE THAT ALL CONTAINERS OF WINE SHIPPED DIRECTLY  
 26 TO A CONSUMER IN THE STATE ARE CONSPICUOUSLY LABELED WITH:

27 (I) THE NAME OF THE DIRECT WINE SHIPPER;

1 (II) THE NAME AND ADDRESS OF THE CONSUMER WHO IS  
2 THE INTENDED RECIPIENT; AND

3 (III) THE WORDS “CONTAINS ALCOHOL: SIGNATURE OF  
4 PERSON AT LEAST 21 YEARS OF AGE REQUIRED FOR DELIVERY”;

5 (2) REPORT QUARTERLY TO THE OFFICE OF THE COMPTROLLER  
6 THE TOTAL AMOUNT OF WINE, BY TYPE, SHIPPED IN THE STATE, THE PRICE  
7 CHARGED, AND THE NAME AND ADDRESS OF EACH PURCHASER;

8 (3) FILE A QUARTERLY TAX RETURN IN ACCORDANCE WITH §  
9 5-201(D) OF THE TAX – GENERAL ARTICLE;

10 (4) PAY QUARTERLY TO THE OFFICE OF THE COMPTROLLER ALL  
11 SALES TAXES AND EXCISE TAXES DUE ON SALES TO CONSUMERS IN THE STATE;  
12 AND CALCULATE THE TAXES AS IF THE SALE WERE MADE ~~AT THE DELIVERY~~  
13 ~~LOCATION~~ IN THE STATE;

14 (5) MAINTAIN FOR A PERIOD OF 3 YEARS COMPLETE AND  
15 ACCURATE RECORDS OF ALL INFORMATION NEEDED TO VERIFY COMPLIANCE  
16 WITH THIS TITLE;

17 ~~(5)~~ (6) ALLOW THE OFFICE OF THE COMPTROLLER TO PERFORM  
18 AN AUDIT OF THE DIRECT WINE SHIPPER’S RECORDS ON REQUEST; AND

19 ~~(6)~~ (7) CONSENT TO THE JURISDICTION OF THE OFFICE OF THE  
20 COMPTROLLER OR OTHER STATE UNIT AND THE STATE COURTS CONCERNING  
21 ENFORCEMENT OF THIS SECTION AND ANY RELATED LAW.

22 (B) A DIRECT WINE SHIPPER MAY NOT:

23 (1) SHIP MORE THAN ~~24~~ 18 9-LITER CASES OF WINE ANNUALLY  
24 ~~TO ANY ONE CONSUMER~~ A SINGLE DELIVERY ADDRESS; OR

25 (2) CAUSE WINE TO BE DELIVERED ON SUNDAY TO AN ADDRESS  
26 IN THE STATE.

27 7.5-108.

28 (A) A DIRECT WINE SHIPPER MAY ~~ANNUALLY~~ RENEW ITS PERMIT EACH  
29 YEAR IF THE DIRECT WINE SHIPPER:

30 (1) IS OTHERWISE ENTITLED TO HAVE A DIRECT WINE SHIPPER’S  
31 PERMIT;

1           (2) PROVIDES TO THE OFFICE OF THE COMPTROLLER A COPY OF  
2 ITS CURRENT PERMIT; AND

3           (3) PAYS TO THE OFFICE OF THE COMPTROLLER A RENEWAL FEE  
4 OF ~~\$50~~ \$200.

5           (B) THE OFFICE OF THE COMPTROLLER MAY DENY A RENEWAL  
6 APPLICATION OF A DIRECT WINE SHIPPER WHO FAILS TO:

7           (1) FILE A TAX RETURN REQUIRED UNDER THIS TITLE;

8           (2) PAY A FEE OR TAX WHEN DUE; OR

9           (3) AFTER RECEIVING NOTICE, COMPLY WITH A PROVISION OF  
10 THIS ARTICLE OR A REGULATION THAT THE OFFICE OF THE COMPTROLLER  
11 ADOPTS UNDER THIS ARTICLE.

12 **7.5-109.**

13           (A) TO RECEIVE A DIRECT SHIPMENT OF WINE, A CONSUMER IN THE  
14 STATE SHALL BE AT LEAST 21 YEARS OLD.

15           (B) A PERSON WHO RECEIVES A SHIPMENT OF WINE SHALL USE THE  
16 SHIPMENT FOR PERSONAL CONSUMPTION ONLY AND MAY NOT RESELL IT.

17 **7.5-110.**

18           (A) A PERSON SHALL BE ISSUED A COMMON CARRIER PERMIT BEFORE  
19 THE PERSON MAY ENGAGE IN TRANSPORTING WINE FROM A DIRECT WINE  
20 SHIPPER TO A CONSUMER.

21           (B) THE TERM OF A COMMON CARRIER PERMIT IS 1 YEAR AND BEGINS  
22 ON JULY 1.

23           ~~(B)~~ (C) TO COMPLETE DELIVERY OF A SHIPMENT, THE COMMON  
24 CARRIER SHALL REQUIRE FROM A CONSUMER AT THE ADDRESS LISTED ON THE  
25 SHIPPING LABEL:

26           (1) THE SIGNATURE OF THE CONSUMER OR ANOTHER  
27 INDIVIDUAL AT THE ADDRESS WHO IS AT LEAST 21 YEARS OLD; AND



1           (2) ~~PHOTOGRAPHIC~~ GOVERNMENT-ISSUED PHOTOGRAPHIC  
2 IDENTIFICATION SHOWING THAT THE ~~CONSUMER~~ SIGNING INDIVIDUAL IS AT  
3 LEAST 21 YEARS OLD.

4           ~~(C)~~ (D) A COMMON CARRIER SHALL REFUSE DELIVERY WHEN THE  
5 INTENDED RECEIVING ~~CONSUMER~~ INDIVIDUAL APPEARS TO BE UNDER 21  
6 YEARS ~~OLD~~ OF AGE OR REFUSES TO PRESENT VALID IDENTIFICATION.

7           (E) AT THE TIME OF INITIAL APPLICATION FOR A COMMON CARRIER  
8 PERMIT AND ON REQUEST OF THE COMPTROLLER, A COMMON CARRIER SHALL  
9 SUBMIT TO THE COMPTROLLER INFORMATION CONCERNING THE TRAINING OF  
10 ITS DRIVERS IN VERIFYING THE AGE OF RECIPIENTS OF DIRECT WINE  
11 SHIPMENTS UNDER THIS TITLE.

12           (F) AT LEAST ONCE EACH YEAR, IN A MANNER ACCEPTABLE TO THE  
13 COMPTROLLER, A HOLDER OF A COMMON CARRIER PERMIT SHALL VERIFY  
14 THAT THE SHIPPER OF WINE INTO THE STATE UNDER THIS TITLE HOLDS A  
15 DIRECT WINE SHIPPER'S LICENSE.

16 7.5-111.

17           (A) A COMMON CARRIER SHALL REPORT QUARTERLY TO THE OFFICE  
18 OF THE COMPTROLLER:

19           ~~(A)~~ (1) THE DATE OF EACH DELIVERY OF WINE IN THE STATE; AND

20           ~~(B)~~ (2) THE NAME AND ADDRESS OF THE DIRECT WINE SHIPPER AND  
21 THE RECEIVING CONSUMER OF EACH DELIVERY.

22           (B) A COMMON CARRIER SHALL MAINTAIN FOR A PERIOD OF 3 YEARS  
23 COMPLETE AND ACCURATE RECORDS OF ALL INFORMATION NEEDED TO VERIFY  
24 COMPLIANCE WITH THIS TITLE.

25 7.5-112.

26           THE OFFICE OF THE COMPTROLLER MAY ADOPT REGULATIONS TO CARRY  
27 OUT THIS TITLE.

28 7.5-113.

29           ~~A BUSINESS ENTITY~~ PERSON WITHOUT A DIRECT WINE SHIPPER'S PERMIT  
30 MAY NOT SHIP WINE DIRECTLY TO CONSUMERS IN THE STATE.

31 7.5-114.

1           **EACH VIOLATION OF THIS TITLE IS A SEPARATE VIOLATION.**

2           9-102.

3           (a)   **(1)**   No more than one license provided by this article, except by way of  
4 renewal or as otherwise provided in this section, shall be issued in any county or  
5 Baltimore City, to any person, or for the use of any partnership, corporation,  
6 unincorporated association, or limited liability company, in Baltimore City or any  
7 county of the ~~State, and no~~ **STATE.**

8           **(2)**   **NO** more than one license shall be issued for the same premises  
9 except as provided in §§ 2-201 through 2-208, 2-301, ~~and~~ 6-701, **AND TITLE 7.5** of  
10 this ~~article, and nothing herein shall~~ **ARTICLE.**

11           **(3)**   **THIS SUBSECTION MAY NOT** be construed to apply to §  
12 6-201(r)(4), (15), (17), and (18), § 7-101(b) and (c), § 8-202(g)(2)(ii) and (iii), § 8-217(e),  
13 § 8-508, § 8-902, § 9-217(b-1), or § 12-202 of this article.

14           12-301.

15           (a)   **(1)**   A retail dealer may not employ any solicitor or salesman for the  
16 purpose of soliciting, outside of the licensed place of business, orders for the sale of any  
17 alcoholic beverages within this State.

18           **(2)**   The sale of alcoholic beverages may not be consummated outside of  
19 the licensed place of business.

20           **(3)**   These provisions do not prohibit the receiving of orders by mail,  
21 telephone or messenger and the filling of such orders by delivery and the payment for  
22 them at the place of delivery.

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

25           **(1)**   The delivery is made from the retail licensed premises by the retail  
26 license holder or employee of the retail license holder authorized to sell and distribute  
27 alcoholic beverages by the local licensing authority in the jurisdiction where the  
28 delivery is made; and

29           **(2)**   The retail license holder obtains a letter of authorization from the  
30 local licensing authority to make deliveries and complies with any regulations  
31 promulgated by the local licensing authority pertaining to those deliveries.

32           (c)   **(1)**   This subsection applies only in Howard County.

1           (2) An alcoholic beverages licensee may not make a retail delivery of  
2 alcoholic beverages unless the purchaser:

3                   (i) Is physically present on the licensed premises when the  
4 purchaser orders the alcoholic beverages; and

5                   (ii) Makes payment for the purchase at the time of the order.

6           (d) (1) This subsection applies only in Montgomery County.

7                   (2) An alcoholic beverages licensee may not make an off-site retail  
8 delivery of alcoholic beverages unless:

9                   (i) The deliverer is at least:

10                           1. 21 years old; or

11                           2. 18 years old and is accompanied by a supervisor who  
12 is at least 21 years old; and

13                   (ii) The person taking possession of the delivery provides the  
14 deliverer with written certification supported by documentary proof that the person is  
15 of legal age to purchase alcoholic beverages. Certification shall be in the form set forth  
16 in § 12-109(1) of this article.

17                   (3) (i) Each certification executed under this subsection shall be  
18 retained by the licensee for at least 1 year.

19                   (ii) The certifications shall be available for examination during  
20 regular business hours by an authorized representative of the Board of License  
21 Commissioners.

22                   (4) The Board of License Commissioners shall adopt regulations to  
23 implement this subsection.

24           (e) (1) This subsection applies only in Garrett County.

25                   (2) The Board of License Commissioners may issue a delivery option  
26 that entitles an alcoholic beverages licensee or an authorized employee of the licensee  
27 to make an off-site retail delivery of alcoholic beverages if:

28                   (i) The deliverer is at least 21 years old and certified by an  
29 approved alcohol awareness program;

30                   (ii) The deliverer and purchaser endorse a delivery form that  
31 the Board of License Commissioners approves certifying that:

1                   1. The person who receives the delivery claims to be at  
2 least 21 years old, and the claim is supported by documentary proof;

3                   2. The person who receives the delivery knows that it is  
4 a criminal offense for alcoholic beverages to be furnished to a person under the age of  
5 21 years; and

6                   3. The deliverer examined the purchaser's identification.

7                   (3) Each delivery form endorsed under paragraph (2)(ii) of this  
8 subsection shall be submitted to the Board of License Commissioners on or before the  
9 10th day of the following month.

10                   (4) (i) The annual fee for a delivery option is \$150.

11                   (ii) In addition to an annual fee, the Board of License  
12 Commissioners shall charge an issuing fee of \$150.

13                   (5) The Board of License Commissioners shall adopt regulations to  
14 carry out this subsection.

15                   **(F) THIS SECTION DOES NOT APPLY TO:**

16                   **(1) THE DELIVERY OF WINE FROM A DIRECT WINE SHIPPER TO A**  
17 **CONSUMER USING A COMMON CARRIER IN ACCORDANCE WITH TITLE 7.5 OF**  
18 **THIS ARTICLE; OR**

19                   **(2) THE HOLDER OF A COMMON CARRIER PERMIT IN THE COURSE**  
20 **OF DELIVERING DIRECTLY SHIPPED WINE IN ACCORDANCE WITH TITLE 7.5 OF**  
21 **THIS ARTICLE.**

22 14-202.

23                   (A) Every common carrier, by rail, air, water or highway, transporting  
24 alcoholic beverages, either in interstate or intrastate commerce, to points within the  
25 State of Maryland, and every person transporting alcoholic beverages by [whatsoever  
26 manner] ANY MEANS within the State of Maryland, shall at any time and from time to  
27 time, upon written request of the Comptroller, report under oath on forms prescribed  
28 by the Comptroller, all such consignments or deliveries of alcoholic beverages, for such  
29 period as the Comptroller may specify.

30                   **(B) If required by the Comptroller, [such] THE reports shall show [the]:**

31                   **(1) THE name and address of the person to whom the deliveries of**  
32 **alcoholic beverages have actually and in fact been made[, the];**

1           **(2)** THE name and address of the original consignee, if alcoholic  
2 beverages have been delivered to any other PERSON than the originally named  
3 consignee[, the];

4           **(3)** THE point of origin, the point of delivery, the date of delivery and  
5 the number and initials of each car, if shipped by rail, the name of the boat, barge or  
6 vessel, if shipped by water, the license number of each truck, if shipped by motor  
7 truck, or if delivered by other means, the manner in which [such] THE delivery was  
8 made[, the];

9           **(4)** THE kind of alcoholic beverages and the number of gallons  
10 [thereof] OF EACH contained in any such shipment or shipments; and [such]

11           **(5)** ANY other additional information relative to shipments [as] THAT  
12 the Comptroller may require.

13           **(C)** Nothing [herein] IN THIS SECTION [shall] MAY be construed to  
14 authorize [the];

15           **(1)** THE consignment of alcoholic beverages from any point outside of  
16 the State to points within the State of Maryland, to any person except [the];

17                   **(I)** THE holder of a permit or manufacturer's or wholesaler's  
18 license, duly issued under [the provisions of] this article; or [the]

19                   **(II)** A CONSUMER UNDER TITLE 7.5 OF THIS ARTICLE; OR

20           **(2)** THE consignment of alcoholic beverages from any point within this  
21 State to a point outside the State, to any person not authorized to receive the same  
22 under the law of the point of destination.

23 15-204.

24           (b) (1) Provided, that in Montgomery County no person, firm, or  
25 corporation shall keep for sale any alcoholic beverage not purchased from the  
26 Department of Liquor Control for Montgomery County, provided, however, that  
27 nothing in this subsection shall apply to a holder of a Class F license or a holder of a  
28 Class 1 beer, wine and liquor, Class 2 wine and liquor, Class 3 beer and wine, Class 4  
29 beer, or Class 5 wine wholesaler's license, who may not sell or deliver any alcoholic  
30 beverage in Montgomery County for resale except to a county liquor dispensary.

31           (2) Notwithstanding paragraph (1) of this subsection:

1 (i) 1. A holder of a Class 6 limited wine wholesaler's license  
 2 or of a nonresident winery permit may sell or deliver wine directly to a county liquor  
 3 dispensary, restaurant, or other retail dealer in Montgomery County; and

4 [(ii)] 2. A county liquor dispensary, restaurant, or other retail  
 5 dealer in Montgomery County may purchase wine directly from a holder of a Class 6  
 6 limited wine wholesaler's license or of a nonresident winery permit; AND

7 (II) A HOLDER OF A DIRECT WINE SHIPPER'S PERMIT MAY  
 8 SHIP WINE DIRECTLY TO A CONSUMER IN MONTGOMERY COUNTY.

9 16-503.

10 Any person violating the provisions of this article for which no penalty, other  
 11 than the suspension or revocation of a license or permit, is provided, shall be deemed  
 12 guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not  
 13 more than one thousand dollars (\$1,000.00) or to imprisonment for not more than two  
 14 years in the House of Correction, or jail, or both fined and imprisoned.

15 **Article – Tax – General**

16 5-101.

17 (a) In this title the following words have the meanings indicated.

18 (f) “Direct wine [seller] **SHIPPER**” has the meaning stated in Article 2B, §  
 19 7.5-101 of the Code.

20 5-201.

21 (d) [(1)] A person who is a direct wine [seller] **SHIPPER** shall file with the  
 22 Office of the Comptroller [an annual] **A QUARTERLY** tax return.

23 [(2)] The annual tax return shall be due no later than October 15 of  
 24 each year covering the previous 12 calendar months ending September 30.]

25 13-825.

26 (b) The Comptroller shall require:

27 (1) a manufacturer, wholesaler, or nonresident winery permit holder  
 28 who sells or delivers beer or wine to retailers in the State to post security for the  
 29 alcoholic beverage tax:

30 (i) in an amount not less than:

1 1. \$1,000 for beer; and

2 2. \$1,000 for wine; and

3 (ii) if the alcoholic beverage tax on beer and wine paid in any 1  
4 month exceeds \$1,000, in an additional amount at least equal to the excess; [and]

5 (2) a manufacturer or wholesaler who sells or delivers any distilled  
6 spirits or any wine and distilled spirits in the State to post a security for the alcoholic  
7 beverage tax:

8 (i) in an amount not less than \$5,000; and

9 (ii) in an additional amount:

10 1. equal to twice the amount of its largest monthly  
11 alcoholic beverage tax liability for wine and distilled spirits in the preceding calendar  
12 year less \$5,000; or

13 2. if the information for the preceding calendar year is  
14 not available or cannot be provided, equal to the amount that the Comptroller  
15 requires; AND

16 **(3) EXCEPT AS PROVIDED IN SUBSECTION (I) OF THIS SECTION, A**  
17 **HOLDER OF A DIRECT WINE SHIPPER'S PERMIT TO POST SECURITY FOR THE**  
18 **ALCOHOLIC BEVERAGE TAX IN AN AMOUNT NOT LESS THAN ~~\$250~~ \$1,000.**

19 **(I) A PERSON NEED NOT POST SECURITY UNDER SUBSECTION (B)(3) OF**  
20 **THIS SECTION IF:**

21 **(1) THE PERSON IS A MANUFACTURER ~~OR WHOLESALER~~ THAT**  
22 **HAS POSTED SECURITY UNDER SUBSECTION (B)(2) OF THIS SECTION; OR**

23 **(2) ~~NOT LATER THAN THE THIRD ANNIVERSARY OF ISSUING A AT~~**  
24 **ANY TIME STARTING 3 YEARS AFTER THE COMPTROLLER FIRST ISSUES A**  
25 **DIRECT WINE SHIPPER'S PERMIT TO THE PERSON, THE COMPTROLLER:**

26 **(I) DETERMINES THAT THE PERSON HAS A SUBSTANTIAL**  
27 **RECORD OF TAX AND REPORTING COMPLIANCE; AND**

28 **(II) WAIVES THE SECURITY REQUIREMENT.**

29 **SECTION 3. AND BE IT FURTHER ENACTED, That:**

30 **(a) The Comptroller shall study the effects of the implementation of this Act,**  
31 **including:**

1           (1) the numbers of holders of direct wine shipper's permits and  
2 common carrier permits issued;

3           (2) the volume of wine shipped to Maryland consumers;

4           (3) the revenues and costs to the State associated with direct wine  
5 shipment; and

6           (4) the availability of certain imported varieties of wine to Maryland  
7 consumers.

8           (b) On or before December 31, 2012, the Comptroller shall submit a report on  
9 its findings under this section, in accordance with § 2-1246 of the State Government  
10 Article, to the Senate Education, Health, and Environmental Affairs Committee and  
11 the House Economic Matters Committee.

12           SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That if any provision of this  
13 Act or the application thereof to any person or circumstance is held invalid for any  
14 reason in a court of competent jurisdiction, the invalidity does not affect other  
15 provisions or any other application of this Act which can be given effect without the  
16 invalid provision or application, and for this purpose the provisions of this Act are  
17 declared severable.

18           SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take  
19 effect July 1, 2011.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.