

SENATE BILL 906

A2

(1lr2944)

ENROLLED BILL

— *Education, Health, and Environmental Affairs/Economic Matters* —

Introduced by **Senator Mathias**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Worcester County – Department of Liquor Control – Wine and Liquor**
3 **Purchasing Option**

4 FOR the purpose of abolishing the Liquor Control Board for Worcester County and
5 replacing it with the Worcester County Department of Liquor Control;
6 specifying that the Department is a department of the county government;
7 specifying that the Department has certain powers; requiring the Board of
8 County Commissioners to appoint the director of the Department; specifying
9 that the director shall be the chief administrative officer of the Department;
10 authorizing the director of the Department, subject to the approval of the Board
11 of County Commissioners, to purchase or otherwise acquire certain alcoholic
12 beverages and certain other property; specifying a certain maximum amount
13 that a licensee may be charged by the Department for certain alcoholic
14 beverages; repealing the minimum price for certain merchandise that the
15 Department must charge to licensees; authorizing an alcoholic beverages

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.

Italics indicate opposite chamber/conference committee amendments.



1 licensee in the county, beginning on a certain date, to elect to purchase wine or
 2 liquor from a licensed wholesaler in addition to or instead of from the
 3 Department; requiring a licensee to provide written notice within a certain time
 4 to the Department; requiring that the notice contain certain information;
 5 requiring that the Department issue, to the licensee, a letter of confirmation;
 6 requiring that a licensee display the letter conspicuously on the licensed
 7 premises; providing that the title to certain property, including appropriations,
 8 credits, assets, liabilities, contracts, and obligations of the Liquor Control Board
 9 are continued as the title to property of the Department; providing that a person
 10 granted certain authorization by the Liquor Control Board is considered by the
 11 Department to maintain that authorization; providing for the correction of
 12 certain cross-references under certain circumstances; defining certain terms;
 13 and generally relating to the Worcester County Department of Liquor Control.

14 BY repealing and reenacting, without amendments,
 15 Article 2B – Alcoholic Beverages
 16 Section 6–201(y)(1), 6–301(y)(1), 6–401(y)(1), and 8–224(a)
 17 Annotated Code of Maryland
 18 (2005 Replacement Volume and 2010 Supplement)

19 BY repealing and reenacting, with amendments,
 20 Article 2B – Alcoholic Beverages
 21 Section 6–201(y)(7), 6–301(y)(8), 6–401(y)(2)(vi), 8–224(g), 8–603(d), 15–201(a),
 22 (b)(1), (e)(2), (i)(2), and (j), 15–202, and 15–205(l)
 23 Annotated Code of Maryland
 24 (2005 Replacement Volume and 2010 Supplement)

25 BY repealing
 26 Article 2B – Alcoholic Beverages
 27 Section 15–201(d)(5), (h)(7), ~~(i)(2)~~, and (l)
 28 Annotated Code of Maryland
 29 (2005 Replacement Volume and 2010 Supplement)

30 BY adding to
 31 Article 2B – Alcoholic Beverages
 32 Section 15–201(c)(5) and 15–204(e)
 33 Annotated Code of Maryland
 34 (2005 Replacement Volume and 2010 Supplement)

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

37 **Article 2B – Alcoholic Beverages**

38 6–201.

39 (y) (1) This subsection applies only in Worcester County.

1 (7) (I) [All] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**
 2 **THIS PARAGRAPH, ALL** licensees shall purchase all wines and liquors, except light
 3 wine and beer, from the [Liquor Control Board for] Worcester County **DEPARTMENT**
 4 **OF LIQUOR CONTROL**. They shall be charged NOT MORE THAN 85 percent of the
 5 retail price or any special sale price or discount price, whichever is lower, set by the
 6 [Board] **DEPARTMENT** for wines and liquors. ~~However, the price the [Board]~~
 7 ~~**DEPARTMENT** charges to the licensees may not be lower than 10 percent above the~~
 8 ~~cost the [Liquor Control Board] **DEPARTMENT** must pay for the merchandise to~~
 9 ~~wholesalers.~~ All licensees may purchase beer and light wine from licensed wholesalers.

10 **(II) BEGINNING ON MAY 1, 2016, A LICENSEE MAY ELECT TO**
 11 **PURCHASE WINE AND LIQUOR FROM A LICENSED WHOLESALER UNDER §**
 12 **15-204(E) OF THIS ARTICLE.**

13 6-301.

14 (y) (1) This subsection applies only in Worcester County.

15 (8) (I) [Every] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II)**
 16 **OF THIS PARAGRAPH, EVERY** licensee shall purchase all wines and liquors, except
 17 light wine and beer, sold by them from the [Worcester County Liquor Control Board]
 18 dispensaries **OF THE WORCESTER COUNTY DEPARTMENT OF LIQUOR CONTROL**.
 19 The licensee shall receive AT LEAST a 15 percent discount from the retail sales price
 20 or any special sale price or discount price, whichever is lower. ~~However, the price the~~
 21 ~~[Board] **DEPARTMENT** charges to the licensees may not be lower than 10 percent~~
 22 ~~above the cost the [Liquor Control Board] **DEPARTMENT** must pay for the~~
 23 ~~merchandise to wholesalers.~~ All licensees may purchase beer and light wine from
 24 licensed wholesalers.

25 **(II) BEGINNING ON MAY 1, 2016, A LICENSEE MAY ELECT TO**
 26 **PURCHASE WINE AND LIQUOR FROM A LICENSED WHOLESALER UNDER §**
 27 **15-204(E) OF THIS ARTICLE.**

28 6-401.

29 (y) (1) This subsection applies only in Worcester County.

30 (2) (vi) **1. [All] EXCEPT AS PROVIDED IN**
 31 **SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, ALL** licensees shall purchase all
 32 wines and liquors, except light wine and beer, from the [Liquor Control Board for]
 33 Worcester County **DEPARTMENT OF LIQUOR CONTROL**. They shall be charged NOT
 34 **MORE THAN** 85 percent of the retail price or any special sale price or discount price,
 35 whichever is lower, set by the [Board] **DEPARTMENT** for wines and liquors. ~~However,~~

~~1 the price the [Board] DEPARTMENT charges to the licensees may not be lower than~~
~~2 10 percent above the cost the [Liquor Board] DEPARTMENT must pay for the~~
~~3 merchandise to wholesalers. All licensees may purchase beer and light wine from~~
~~4 licensed wholesalers.~~

5 **2. BEGINNING ON MAY 1, 2016, A LICENSEE MAY**
 6 **ELECT TO PURCHASE WINE AND LIQUOR FROM A LICENSED WHOLESALER**
 7 **UNDER § 15-204(E) OF THIS ARTICLE.**

8 8-224.

9 (a) This section applies only in Worcester County.

10 (g) (1) **(I) [A] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**
 11 **THIS PARAGRAPH, A licensee shall purchase all alcoholic beverages, except light wine**
 12 **and beer, from the [Liquor Control Board] WORCESTER COUNTY DEPARTMENT OF**
 13 **LIQUOR CONTROL.**

14 **(II) BEGINNING ON MAY 1, 2016, A LICENSEE MAY ELECT TO**
 15 **PURCHASE WINE AND LIQUOR FROM A LICENSED WHOLESALER OR MAY**
 16 **CONTINUE TO PURCHASE ALL ALCOHOLIC BEVERAGES, EXCEPT LIGHT WINE**
 17 **AND BEER, FROM THE WORCESTER COUNTY DEPARTMENT OF LIQUOR**
 18 **CONTROL.**

19 (2) A licensee may purchase beer and light wine from a licensed
 20 wholesaler.

21 (3) [Except as provided in paragraph (4) of this subsection, a] **A**
 22 **licensee shall be charged NOT MORE THAN 85 percent of the retail price or any special**
 23 **sale price or discount price, whichever is lower, set by the [Liquor Control Board]**
 24 **DEPARTMENT for wine and liquor.**

25 [(4) The price the Liquor Control Board charges to the licensees may
 26 not be lower than 10 percent above the cost the Liquor Control Board must pay to
 27 wholesalers for the merchandise.]

28 8-603.

29 (d) **(1) [All of these] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF**
 30 **THIS SUBSECTION, ALL licensees shall purchase all liquors and wines, except light**
 31 **wine, from the [Liquor Control Board for] Worcester County DEPARTMENT OF**
 32 **LIQUOR CONTROL. The licensee shall receive AT LEAST a 15 percent discount from**
 33 **the retail sales price or any special sale price or discount price, whichever is lower.**
 34 ~~34 However, the price the [Board] DEPARTMENT charges to the licensees may not be~~
 35 ~~lower than 10 percent above the cost the [Liquor Control Board] DEPARTMENT must~~

1 ~~pay for the merchandise to wholesalers.~~ All licensees may purchase beer and light
2 wine from licensed wholesalers.

3 **(2) BEGINNING ON MAY 1, 2016, A LICENSEE MAY ELECT TO**
4 **PURCHASE WINE AND LIQUOR FROM A LICENSED WHOLESALER UNDER §**
5 **15-204(E) OF THIS ARTICLE.**

6 15-201.

7 (a) **(1) [There] SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS**
8 **SUBSECTION, THERE** is hereby constituted and established in each county a liquor
9 control board, to be appointed and to have the tenure, compensation, powers and
10 duties as provided in this subtitle[;].

11 **(2) (I) [provided that in] IN** Montgomery County there is hereby
12 constituted and established, effective July 1, 1951, a Department of Liquor Control,
13 which shall be a department of the county government under the general supervision
14 of the chief administrative officer, and which shall have the powers of a liquor control
15 board as defined in § 15-205 of this subtitle.

16 **(II)** Whenever used in this subtitle the words “liquor control
17 board” or “board” shall be construed to apply to the Department of Liquor Control in
18 Montgomery County whenever such construction would be reasonable.

19 **(3) (I) IN WORCESTER COUNTY THERE IS A DEPARTMENT OF**
20 **LIQUOR CONTROL THAT:**

21 **1. IS A DEPARTMENT OF THE COUNTY GOVERNMENT;**
22 **AND**

23 **2. HAS THE POWERS OF A LIQUOR CONTROL BOARD**
24 **AS DEFINED IN § 15-205 OF THIS SUBTITLE.**

25 **(II) THE WORDS “LIQUOR CONTROL BOARD” OR “BOARD” IN**
26 **THIS SUBTITLE APPLY TO THE WORCESTER COUNTY DEPARTMENT OF LIQUOR**
27 **CONTROL WHEN THAT CONSTRUCTION WOULD BE REASONABLE.**

28 (b) **(1) (I)** Except in Harford County, **MONTGOMERY COUNTY, AND**
29 **WORCESTER COUNTY,** the liquor control board shall consist of three members in
30 each county.

31 **(II)** Those persons who are members of the respective boards on
32 June 1, 1947, shall continue as such for the balance of the period for which they may
33 have been appointed or elected, according to the terms and conditions of their original
34 appointment or election.

1 (III) [Provided that in] IN Montgomery County, effective July 1,
2 1951, there is hereby created the position of director of the Department of Liquor
3 Control, who shall be the chief administrative officer of said Department of Liquor
4 Control.

5 (IV) IN WORCESTER COUNTY, THERE IS A DIRECTOR OF THE
6 DEPARTMENT OF LIQUOR CONTROL, WHO IS THE CHIEF ADMINISTRATIVE
7 OFFICER OF THE DEPARTMENT.

8 (c) (5) IN WORCESTER COUNTY, THE BOARD OF COUNTY
9 COMMISSIONERS SHALL APPOINT THE DIRECTOR OF THE DEPARTMENT OF
10 LIQUOR CONTROL, WHO SHALL SERVE AT THE PLEASURE OF THE BOARD.

11 (d) In computing the time at which appointments to the several boards
12 normally expire, and when new terms of office begin, the following dates shall be used:

13 [(5) Worcester County — June 1, 1975. Initial appointments shall be
14 for two, three and four years. Their successors shall be appointed to regular four-year
15 terms.]

16 (e) (2) Members of the boards in the following counties shall serve for
17 terms as specified:

- 18 (i) Garrett County6 years
- 19 (ii) Harford County3 years
- 20 (iii) Somerset County4 years
- 21 [(iv) Worcester County 4 years]

22 (h) Members of the several boards shall receive compensation as follows:

23 [(7) Worcester County — Each member of the Worcester County
24 Liquor Control Board shall receive an annual salary set by the Worcester County
25 Commissioners, but which may not be less than \$3,000, and a mileage fee when
26 attending meetings of the Board and when performing official duties as a member of
27 the Board.]

28 (i) ~~[(2) In Worcester County they shall meet at least once each week; in~~
29 ~~Somerset County they shall meet at least twice each month.]~~

30 (j) (1) Except as provided in [paragraphs (2) and (3)] PARAGRAPH (2) of
31 this subsection, in case of a vacancy on an appointive board for any reason whatsoever,

1 it shall be filled for the unexpired term in the same manner as the original
2 appointment.

3 (2) [In Worcester County, the vacancy shall be filled by the Governor
4 with the advice and consent of the Senate.

5 (3)] In Harford County, to fill a vacancy other than one resulting from
6 an expired term:

7 (i) The County Executive, as soon as practicable, shall submit
8 the name of one nominee to the Harford County Delegation to the Maryland General
9 Assembly, consisting of Harford County Senators and Delegates, for the advice and
10 consent of the Delegation; and

11 (ii) Thereafter, the procedures under subsection (c)(3)(ii)3
12 through 6 of this section shall be followed.

13 [(1) (1) This subsection applies only in Worcester County.

14 (2) The Board shall present its budget annually to the County
15 Commissioners on the same day that the County Commissioners present the budget
16 for the county. The Board shall be present at that meeting so as to be able to answer
17 any questions that the County Commissioners or the public might have.

18 (3) The Board shall adhere to county personnel practices. By way of
19 illustration, the Board shall advertise for vacant positions and select the most
20 qualified person and shall afford an employee all county termination rights.

21 (4) The Liquor Control Board may not expend any funds in an attempt
22 to influence the referendum to be held in November, 1998, that is required by State
23 statute.]

24 15-202.

25 (a) For the purpose of providing the liquor control board with an adequate
26 working capital for acquiring, establishing and operating a county dispensary, or
27 branch dispensaries, together with warehouse facilities, as found necessary under this
28 subtitle, the board of county commissioners of each county is hereby authorized and
29 empowered from time to time to advance a sum of money to the liquor control board of
30 such county. Said board of county commissioners is hereby authorized and empowered
31 to borrow upon the credit of the county in order to advance such moneys to said liquor
32 control board, issuing therefor such notes, certificates of indebtedness and/or bonds as
33 in the discretion of the board of county commissioners are found necessary.

34 (b) (1) The liquor control board may borrow money from time to time from
35 any banking institution on its own credit.

1 (2) The aggregate sum advanced to or borrowed by the liquor control
2 board may not exceed the following amounts:

3 (i) Somerset County — \$150,000

4 (ii) Wicomico County — \$500,000

5 [(iii) Worcester County — \$6,000,000].

6 (c) (1) The interest rate limitation provided in paragraph (2) of this
7 subsection does not apply in Somerset County [and Worcester County].

8 (2) All funds advanced to the liquor control board by the county
9 commissioners, and all funds borrowed by the county commissioners or the liquor
10 control board for the purposes of this subtitle, shall bear interest at the lowest rate
11 possible, not exceeding 6 percent a year. All these sums advanced or borrowed,
12 together with the interest on them, shall be repaid from the receipts from sales made
13 at the county liquor dispensary, or branch dispensaries.

14 [(3) In Worcester County, any borrowed funds expended for the use of
15 supplies or equipment are to be amortized over a term of five years.]

16 (d) The provisions of this section shall not apply to the Department of Liquor
17 Control of Montgomery County, provided that nothing herein shall be construed to
18 affect the validity of any notes, certificates of indebtedness and/or bonds, or obligations
19 of any kind which may have been heretofore incurred by the Liquor Control Board of
20 Montgomery County.

21 **(E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THIS**
22 **SECTION DOES NOT APPLY TO THE WORCESTER COUNTY DEPARTMENT OF**
23 **LIQUOR CONTROL.**

24 **(2) THIS SECTION DOES NOT AFFECT THE VALIDITY OF A NOTE,**
25 **CERTIFICATE OF INDEBTEDNESS, BOND, OR OTHER OBLIGATION OF ANY KIND**
26 **THAT HAS BEEN INCURRED BY THE LIQUOR CONTROL BOARD FOR WORCESTER**
27 **COUNTY.**

28 15–204.

29 **(E) (1) IN THIS SUBSECTION, “DEPARTMENT” MEANS THE**
30 **WORCESTER COUNTY DEPARTMENT OF LIQUOR CONTROL.**

31 **(2) THIS SUBSECTION APPLIES ONLY IN WORCESTER COUNTY.**

1 **(3) (I) BEGINNING ON MAY 1, 2016, A LICENSEE IN THE**
2 **COUNTY MAY ELECT TO PURCHASE WINE OR LIQUOR FROM A LICENSED**
3 **WHOLESALER BY PROVIDING WRITTEN NOTICE OF THE LICENSEE'S INTENT TO**
4 **THE DEPARTMENT AT LEAST 60 DAYS BEFORE THE DATE THE PURCHASING**
5 **ACTIVITY IS TO START.**

6 **(II) THE NOTICE SHALL CONTAIN:**

- 7 **1. THE NAME OF THE LICENSEE;**
- 8 **2. THE NAME AND ADDRESS OF THE LICENSED**
9 **PREMISES; AND**
- 10 **3. THE DATE THAT THE NOTICE WAS SENT TO THE**
11 **DEPARTMENT.**

12 **(4) A LICENSEE ~~WHO~~ THAT MEETS THE REQUIREMENTS OF THIS**
13 **SUBSECTION MAY PURCHASE WINE OR LIQUOR FROM A LICENSED WHOLESALER**
14 **IN ADDITION TO OR INSTEAD OF THE DEPARTMENT.**

15 **(5) (I) THE DEPARTMENT SHALL ISSUE A LETTER OF**
16 **CONFIRMATION TO A LICENSEE THAT MEETS THE REQUIREMENTS OF THIS**
17 **SUBSECTION.**

18 **(II) THE LICENSEE SHALL DISPLAY THE LETTER**
19 **CONSPICUOUSLY ON THE LICENSED PREMISES.**

20 15-205.

21 The liquor control board of each county shall have full power and authority
22 within its county:

23 (1) In Worcester County, [in addition to the other powers listed in this
24 section, the Board shall pay the salary, not to exceed \$3,500 annually, of an officer to
25 enforce the laws relating to alcoholic beverages in the county. The officer shall be
26 appointed by the County Commissioners subject to the approval by State's Attorney of
27 the county] **SUBJECT TO THE APPROVAL OF THE COUNTY COMMISSIONERS, THE**
28 **DIRECTOR OF THE DEPARTMENT OF LIQUOR CONTROL MAY PURCHASE OR**
29 **OTHERWISE ACQUIRE:**

30 **(1) REAL OR PERSONAL PROPERTY THAT THE DIRECTOR**
31 **CONSIDERS NECESSARY TO OPERATE DISPENSARIES, STORES, OR WAREHOUSES;**
32 **AND**

1 **(2) WINE AND LIQUOR FROM ANY SOURCE FOR RESALE.**

2 SECTION 2. AND BE IT FURTHER ENACTED, That the title to all real and
3 personal property, money in banks, credits, accounts receivable, equipment, stock in
4 trade, leases, franchises, contracts, records, files, furniture, fixtures, and other
5 properties and all appropriations, credits, assets, liabilities, contracts, and obligations
6 of the Liquor Control Board are continued as the title to all real and personal property,
7 money in banks, credits, accounts receivable, equipment, stock in trade, leases,
8 franchises, contracts, records, files, furniture, fixtures, and other properties and all
9 appropriations, credits, assets, liabilities, contracts, and obligations of the Worcester
10 County Department of Liquor Control.

11 SECTION 3. AND BE IT FURTHER ENACTED, That any person registered,
12 certified, issued a permit, or granted other authorization by the Liquor Control Board
13 for Worcester County is considered for all purposes to be registered, certified, issued a
14 permit, or granted other authorization by the Worcester County Department of Liquor
15 Control for the duration of the term for which the registration, certification, or permit
16 was issued or other authorization was granted.

17 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the approval
18 of the Executive Director of the Department of Legislative Services, the publishers of
19 the Annotated Code of Maryland shall propose the correction of cross-references that
20 are rendered incorrect by this Act.

21 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 July 1, 2011.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.