

## Chapter 304

(Senate Bill 906)

AN ACT concerning

### Worcester County – Department of Liquor Control – Wine and Liquor Purchasing Option

FOR the purpose of abolishing the Liquor Control Board for Worcester County and replacing it with the Worcester County Department of Liquor Control; specifying that the Department is a department of the county government; specifying that the Department has certain powers; requiring the Board of County Commissioners to appoint the director of the Department; specifying that the director shall be the chief administrative officer of the Department; authorizing the director of the Department, subject to the approval of the Board of County Commissioners, to purchase or otherwise acquire certain alcoholic beverages and certain other property; specifying a certain maximum amount that a licensee may be charged by the Department for certain alcoholic beverages; repealing the minimum price for certain merchandise that the Department must charge to licensees; authorizing an alcoholic beverages licensee in the county, beginning on a certain date, to elect to purchase wine or liquor from a licensed wholesaler in addition to or instead of from the Department; requiring a licensee to provide written notice within a certain time to the Department; requiring that the notice contain certain information; requiring that the Department issue, to the licensee, a letter of confirmation; requiring that a licensee display the letter conspicuously on the licensed premises; providing that the title to certain property, including appropriations, credits, assets, liabilities, contracts, and obligations of the Liquor Control Board are continued as the title to property of the Department; providing that a person granted certain authorization by the Liquor Control Board is considered by the Department to maintain that authorization; providing for the correction of certain cross-references under certain circumstances; defining certain terms; and generally relating to the Worcester County Department of Liquor Control.

BY repealing and reenacting, without amendments,

Article 2B – Alcoholic Beverages

Section 6–201(y)(1), 6–301(y)(1), 6–401(y)(1), and 8–224(a)

Annotated Code of Maryland

(2005 Replacement Volume and 2010 Supplement)

BY repealing and reenacting, with amendments,

Article 2B – Alcoholic Beverages

Section 6–201(y)(7), 6–301(y)(8), 6–401(y)(2)(vi), 8–224(g), 8–603(d), 15–201(a),

(b)(1), (e)(2), (i)(2), and (j), 15–202, and 15–205(l)

Annotated Code of Maryland  
(2005 Replacement Volume and 2010 Supplement)

BY repealing

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

BY adding to

Article 2B – Alcoholic Beverages  
Section 15–201(c)(5) and 15–204(e)  
Annotated Code of Maryland  
(2005 Replacement Volume and 2010 Supplement)

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

**Article 2B – Alcoholic Beverages**

6–201.

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

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

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

6–301.

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

(8) **(I) [Every] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, EVERY** licensee shall purchase all wines and liquors, except light wine and beer, sold by them from the [Worcester County Liquor Control Board]

dispensaries **OF THE WORCESTER COUNTY DEPARTMENT OF LIQUOR CONTROL**. The licensee shall receive **AT LEAST** a 15 percent discount from the retail sales price or any special sale price or discount price, whichever is lower. ~~However, the price the [Board] DEPARTMENT charges to the licensees may not be lower than 10 percent above the cost the [Liquor Control Board] DEPARTMENT must pay for the merchandise to wholesalers.~~ All licensees may purchase beer and light wine from licensed wholesalers.

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

6-401.

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

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

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

8-224.

(a) This section applies only in Worcester County.

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

**(II) BEGINNING ON MAY 1, 2016, A LICENSEE MAY ELECT TO PURCHASE WINE AND LIQUOR FROM A LICENSED WHOLESALER OR MAY CONTINUE TO PURCHASE ALL ALCOHOLIC BEVERAGES, EXCEPT LIGHT WINE**

**AND BEER, FROM THE WORCESTER COUNTY DEPARTMENT OF LIQUOR CONTROL.**

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

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

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

8-603.

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

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

15-201.

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

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

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

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

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

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

(II) THE WORDS "LIQUOR CONTROL BOARD" OR "BOARD" IN THIS SUBTITLE APPLY TO THE WORCESTER COUNTY DEPARTMENT OF LIQUOR CONTROL WHEN THAT CONSTRUCTION WOULD BE REASONABLE.

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

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

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

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

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

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

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

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

- (i) Garrett County .....6 years
- (ii) Harford County .....3 years
- (iii) Somerset County .....4 years
- [(iv) Worcester County ..... 4 years]

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

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

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

(j) (1) Except as provided in [paragraphs (2) and (3)] **PARAGRAPH (2)** of this subsection, in case of a vacancy on an appointive board for any reason whatsoever, it shall be filled for the unexpired term in the same manner as the original appointment.

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

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

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

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

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

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

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

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

15-202.

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

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

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

(i) Somerset County — \$150,000

(ii) Wicomico County — \$500,000

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

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

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

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

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

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

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

15-204.

**(E) (1) IN THIS SUBSECTION, "DEPARTMENT" MEANS THE WORCESTER COUNTY DEPARTMENT OF LIQUOR CONTROL.**

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

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

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

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



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

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

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

15-205.

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

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

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

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

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

SECTION 3. AND BE IT FURTHER ENACTED, That any person registered, certified, issued a permit, or granted other authorization by the Liquor Control Board for Worcester County is considered for all purposes to be registered, certified, issued a permit, or granted other authorization by the Worcester County Department of Liquor

Control for the duration of the term for which the registration, certification, or permit was issued or other authorization was granted.

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

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

**Approved by the Governor, May 10, 2011.**