

HOUSE BILL 463

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By: **Montgomery County Delegation**

Introduced and read first time: January 27, 2014

Assigned to: Economic Matters

A BILL ENTITLED

AN ACT concerning

Montgomery County – Alcoholic Beverages – Beer, Wine and Liquor Licenses

MC 16-14

FOR the purpose of establishing in Montgomery County a Class D beer, wine and liquor (on-sale) license; requiring an applicant for a Class D beer, wine and liquor (on-sale) license to attest to a certain proportion of future food and alcoholic beverages sales, based on gross receipts, as a prerequisite to obtaining the license; requiring an applicant for a Class D beer, wine and liquor (on-sale) license to attest to a certain proportion of future food and alcoholic beverages sales, based on gross receipts from sales during a certain time, as a prerequisite to renewing the license; requiring the Board of License Commissioners to adopt certain regulations providing for the inspection of certain premises; authorizing the Board to revoke a Class D beer, wine and liquor (on-sale) license under certain circumstances; requiring an applicant to pay a certain fee in order to obtain a Class D beer, wine and liquor (on-sale) license; altering the hours that a holder of a Class B-BWL or Class B-BWL (H-M) license may sell alcoholic beverages on a Sunday; authorizing a holder of a Class D beer, wine and liquor license to sell alcoholic beverages during certain hours on a Sunday; altering the hours that a holder of a Class B-BWL or Class B-BWL (H-M) license may sell alcoholic beverages on Friday, Saturday, and certain Sundays; authorizing a holder of a Class D beer, wine and liquor license to sell alcoholic beverages during certain hours on Friday, Saturday, and certain Sundays; making stylistic changes; and generally relating to alcoholic beverages in Montgomery County.

BY repealing and reenacting, without amendments,
Article 2B – Alcoholic Beverages
Section 6-401(a)
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



BY repealing and reenacting, with amendments,
 Article 2B – Alcoholic Beverages
 Section 6–401(q) and 11–516(a) and (c)
 Annotated Code of Maryland
 (2011 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,
 Article 2B – Alcoholic Beverages
 Section 11–303(b)
 Annotated Code of Maryland
 (2011 Replacement Volume and 2013 Supplement)
 (As enacted by Chapters 302 and 303 of the Acts of the General Assembly of
 2010)

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

Article 2B – Alcoholic Beverages

6–401.

(a) (1) A Class D beer, wine and liquor license shall be issued by the license issuing authority of the county in which the place of business is located. It authorizes the holder to keep for sale and sell all alcoholic beverages at retail at the place described in it, for consumption on the premises or elsewhere. A license may not be issued for any drugstore.

(2) The annual license fee shall be paid to the local collecting agent before any license is issued, for distribution as provided.

(3) In this section, “Board” means the Board of License Commissioners for the jurisdiction to which the subsection applies.

(q) **(1)** This [section does not apply in] **SUBSECTION APPLIES ONLY IN** Montgomery County.

(2) A CLASS D BEER, WINE AND LIQUOR (ON–SALE) LICENSE MAY BE ISSUED FOR ON–PREMISES CONSUMPTION.

(3) (I) AS A PREREQUISITE FOR THE INITIAL ISSUANCE OF A LICENSE UNDER THIS SUBSECTION, THE OWNER SHALL ATTEST IN A SWORN STATEMENT THAT GROSS RECEIPTS FROM FOOD SALES WILL BE AT LEAST EQUAL TO 40% OF THE GROSS RECEIPTS FROM THE SALE OF FOOD AND ALCOHOLIC BEVERAGES.

(II) AS A PREREQUISITE FOR EACH RENEWAL OF A LICENSE ISSUED UNDER THIS SUBSECTION, THE OWNER SHALL ATTEST IN A SWORN STATEMENT THAT THE GROSS RECEIPTS FROM FOOD SALES FOR THE 12-MONTH PERIOD IMMEDIATELY PRECEDING THE APPLICATION FOR RENEWAL HAVE BEEN AT LEAST EQUAL TO 40% OF THE GROSS RECEIPTS FROM THE SALE OF FOOD AND ALCOHOLIC BEVERAGES.

(III) THE BOARD BY REGULATION SHALL PROVIDE FOR PERIODIC INSPECTION OF THE PREMISES AND FOR AUDITS TO DETERMINE THE RATIO OF GROSS RECEIPTS FROM THE SALE OF FOOD TO GROSS RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES.

(IV) REGULATIONS ADOPTED BY THE BOARD SHALL INCLUDE A REQUIREMENT OF:

1. AT LEAST MONTHLY PHYSICAL INSPECTIONS OF THE PREMISES DURING THE INITIAL LICENSE YEAR OF ANY LICENSEE; AND

2. THE SUBMISSION BY THE LICENSEE TO THE BOARD, DURING THE INITIAL LICENSE YEAR, OF MONTHLY STATEMENTS SHOWING GROSS RECEIPTS FROM THE SALE OF FOOD AND GROSS RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES FOR THE IMMEDIATELY PRECEDING MONTH.

(V) 1. IF A LICENSEE DURING THE INITIAL LICENSE YEAR FAILS TO MAINTAIN THE SALES RATIO REQUIREMENT PROVIDED IN THIS PARAGRAPH FOR 3 CONSECUTIVE MONTHS OR AFTER THE INITIAL LICENSE YEAR FOR EACH LICENSE OR CALENDAR YEAR, THE BOARD MAY REVOKE THE LICENSE.

2. THE BOARD MAY REQUIRE A LICENSEE TO PROVIDE SUPPORTING DATA AS THE BOARD CONSIDERS NECESSARY TO ESTABLISH THAT THE REQUIREMENTS OF THIS SECTION RELATING TO THE RATIO OF GROSS RECEIPTS FROM THE SALE OF FOOD TO THOSE FROM THE SALE OF ALCOHOLIC BEVERAGES HAVE BEEN MET.

(4) THE ANNUAL LICENSE FEE IS \$3,000.

11-303.

(b) (1) The hours during which the privileges conferred by a Class B beer, wine and liquor license may be exercised are from 6 a.m. to 2 a.m. on the following day.

(2) In Annapolis, the hours shall be as fixed by the Mayor, Counselor, and Aldermen of the City of Annapolis.

(3) In Montgomery County, except as provided in § 11–516 of this article, the hours are from 9 a.m. on any day to 1 a.m. on the following day.

(4) In the 47th alcoholic beverages district in Baltimore City, the hours for off-sales under a Class B beer, wine and liquor license for use in a restaurant are as provided for in § 6–201(d) of this article.

(5) In the Park Heights Redevelopment Area that is specified in the Park Heights Master Plan adopted by Baltimore City in 2006, the hours of sale begin at 9 a.m. each day.

11–516.

(a) In Montgomery County, notwithstanding any other provisions of this subtitle, a holder of an alcoholic beverage license may not sell any alcoholic beverages [between]:

(1) **BETWEEN** the hours of 1 a.m. and 10 a.m. on Sunday, except holders of Class A (off-sale) beer licenses and Class A (off-sale) beer and light wine licenses and [Class B–BWL, Class B–BWL (H–M) and] Class C, beer, wine and liquor licenses; Class B and Class D beer licenses and Class B and Class D beer and light wine licenses; **AND**

(2) **BETWEEN THE HOURS OF 3 A.M. AND 10 A.M. ON SUNDAY, EXCEPT HOLDERS OF CLASS B–BWL, CLASS B–BWL (H–M), AND CLASS D BEER, WINE AND LIQUOR LICENSES.**

(c) The privileges conferred by a Class B beer, wine and liquor license (on-sale generally), [and] a Class B beer, wine and liquor (H–M) license, **AND A CLASS D BEER, WINE AND LIQUOR (ON-SALE) LICENSE** may be exercised during the following hours, provided that the licensed establishment sells or makes available food for consumption on the premises during the hours that alcoholic beverages are permitted to be served:

(1) [On Monday, Tuesday, Wednesday, and Thursday sales are permitted from 9 a.m. to 1 a.m. on the following day] **FROM 9 A.M. TO 1 A.M. THE FOLLOWING DAY, ON MONDAY, TUESDAY, WEDNESDAY, AND THURSDAY;**

(2) [On Friday and Saturday, sales are permitted from 9 a.m. to 2 a.m. on the following day] **FROM 9 A.M. TO 3 A.M. THE FOLLOWING DAY, ON FRIDAY AND SATURDAY;**

(3) [On Sunday, sales are permitted from 10 a.m. to 1 a.m. on the following day; provided, however, that sales are permitted until 2 a.m. on the following day when the following day (Monday) has been designated by the federal government as one of the following holidays: Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veterans Day and Christmas] **FROM 10 A.M. TO 3 A.M. THE FOLLOWING DAY, ON SUNDAY WHEN THE FOLLOWING DAY HAS BEEN DESIGNATED BY THE FEDERAL GOVERNMENT AS ONE OF THE FOLLOWING HOLIDAYS:**

(I) WASHINGTON'S BIRTHDAY;

(II) MEMORIAL DAY;

(III) INDEPENDENCE DAY;

(IV) LABOR DAY;

(V) VETERANS DAY; OR

(VI) CHRISTMAS; OR

(4) FROM 10 A.M. TO 1 A.M. THE FOLLOWING DAY, ON A SUNDAY THAT IS NOT REFERENCED IN ITEM (3) OF THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.