

HOUSE BILL 712

A2

5lr1612

By: **Montgomery County Delegation**

Introduced and read first time: February 12, 2015

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County – Micro–Breweries – Beer and Liquor**

3 **MC 26–15**

4 FOR the purpose of authorizing the issuance of a certain micro–brewery license to the
5 holder of a certain Class D beer, wine and liquor license in Montgomery County;
6 providing that the holder of or an applicant for a certain Class D license that is also
7 the holder of a certain micro–brewery license is not required to attest to meeting
8 certain sales ratio requirements; and generally relating to sales of alcoholic
9 beverages in Montgomery County.

10 BY repealing and reenacting, without amendments,
11 Article 2B – Alcoholic Beverages
12 Section 2–208(a)
13 Annotated Code of Maryland
14 (2011 Replacement Volume and 2014 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article 2B – Alcoholic Beverages
17 Section 2–208(b) and 6–401(q)
18 Annotated Code of Maryland
19 (2011 Replacement Volume and 2014 Supplement)

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

22 **Article 2B – Alcoholic Beverages**

23 2–208.

24 (a) There is a Class 7 micro–brewery (on– and off–sale) license.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (b) The license shall be issued:
- 2 (1) By the State Comptroller;
- 3 (2) Only in the following jurisdictions:
- 4 (i) Allegany County;
- 5 (ii) Baltimore City;
- 6 (iii) Baltimore County;
- 7 (iv) The City of Annapolis;
- 8 (v) Anne Arundel County;
- 9 (vi) Calvert County;
- 10 (vii) Caroline County;
- 11 (viii) Carroll County;
- 12 (ix) Charles County;
- 13 (x) Dorchester County;
- 14 (xi) Frederick County;
- 15 (xii) Garrett County;
- 16 (xiii) Harford County;
- 17 (xiv) Howard County;
- 18 (xv) Kent County;
- 19 (xvi) Montgomery County;
- 20 (xvii) Prince George's County;
- 21 (xviii) Queen Anne's County;
- 22 (xix) St. Mary's County;
- 23 (xx) Somerset County;

- 1 (xxi) Talbot County;
- 2 (xxii) Washington County;
- 3 (xxiii) Wicomico County; and
- 4 (xxiv) Worcester County;

5 (3) (i) Only to a holder of a Class B beer, wine and liquor (on-sale)
 6 license that is issued for use on the premises of a restaurant located in a jurisdiction listed
 7 in paragraph (2) of this subsection;

8 (ii) To a holder of a Class D beer (off-sale) license that is issued for
 9 use on the premises of the existing Class D license if the premises are located in Kent
 10 County or the Town of Berlin in Worcester County; or

11 (iii) To a holder of a Class D alcoholic beverages license that is issued
 12 for use on the premises of the existing Class D license if the premises are located in:

- 13 1. The 22nd Alcoholic Beverages District of Prince George’s
- 14 County;
- 15 2. Washington County;
- 16 3. Dorchester County; or
- 17 4. The 40th Alcoholic Beverages District of Baltimore City;

18 and

19 (4) In addition to item (3) of this subsection, in Montgomery County only
 20 to a holder of a:

21 (I) Class H beer and light wine license that is issued for use on the
 22 premises of a restaurant located in the County [or a];

23 (II) Class D beer and light wine license; **OR**

24 (III) **CLASS D BEER, WINE AND LIQUOR (ON-SALE) LICENSE.**

25 6-401.

26 (q) (1) This subsection applies only in Montgomery County.

27 (2) A Class D beer, wine and liquor (on-sale) license may be issued for
 28 on-premises consumption.

1 (3) (i) As a prerequisite for the initial issuance of a license under this
2 subsection, the owner shall attest in a sworn statement that gross receipts from food sales
3 will be at least equal to 40% of the gross receipts from the sale of food and alcoholic
4 beverages:

5 1. From 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday,
6 Thursday, Friday, and Saturday; and

7 2. From 10 a.m. to 9 p.m. on Sunday.

8 (ii) As a prerequisite for each renewal of a license issued under this
9 subsection, the owner shall attest in a sworn statement that the gross receipts from food
10 sales for the 12-month period immediately preceding the application for renewal have been
11 at least equal to 40% of the gross receipts from the sale of food and alcoholic beverages:

12 1. From 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday,
13 Thursday, Friday, and Saturday; and

14 2. From 10 a.m. to 9 p.m. on Sunday.

15 (iii) The Board by regulation shall provide for periodic inspection of
16 the premises and for audits to determine the ratio of gross receipts from the sale of food to
17 gross receipts from the sale of alcoholic beverages.

18 (iv) Regulations adopted by the Board shall include a requirement of:

19 1. At least monthly physical inspections of the premises
20 during the initial license year of any licensee; and

21 2. The submission by the licensee to the Board, during the
22 initial license year, of monthly statements showing gross receipts from the sale of food and
23 gross receipts from the sale of alcoholic beverages for the immediately preceding month.

24 (v) 1. If a licensee during the initial license year fails to
25 maintain the sales ratio requirement provided in this paragraph for 3 consecutive months
26 or after the initial license year for each license or calendar year, the Board may revoke the
27 license.

28 2. The Board may require a licensee to provide supporting
29 data as the Board considers necessary to establish that the requirements of this section
30 relating to the ratio of gross receipts from the sale of food to those from the sale of alcoholic
31 beverages have been met.

32 (4) **NOTWITHSTANDING PARAGRAPH (3) OF THIS SUBSECTION, A**
33 **HOLDER OF OR AN APPLICANT FOR INITIAL LICENSING OR RENEWAL OF A CLASS D**
34 **BEER, WINE AND LIQUOR (ON-SALE) LICENSE UNDER THIS SECTION THAT ALSO**

1 **HOLDS A CLASS 7 MICRO-BREWERY LICENSE NEED NOT ATTEST TO MEETING THE**
2 **SALES RATIO REQUIRED UNDER PARAGRAPH (3)(I) OR (II) OF THIS SUBSECTION.**

3 **(5)** The annual license fee is \$3,000.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2015.