

## Chapter 228

**(Senate Bill 725)**

AN ACT concerning

**Alcoholic Beverages – Cross-References and Corrections**

FOR the purpose of correcting certain cross-references to the Alcoholic Beverages Article in the Annotated Code of Maryland; correcting certain errors in the Alcoholic Beverages Article; and generally relating to the Alcoholic Beverages Article and cross-references and corrections to it.

BY repealing and reenacting, with amendments,  
 Article – Agriculture  
 Section 10–1201(e) and (f)  
 Annotated Code of Maryland  
 (2007 Replacement Volume and 2015 Supplement)

BY adding to

Article – Alcoholic Beverages  
Section 1–302.1  
Annotated Code of Maryland  
(As enacted by Chapter \_\_\_\_\_ (S.B. 724) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages  
Section 2–131(b), 4–105(a), 4–109(a)(3), (11), and (13), 16–2004(b)(2)(i), 21–903(d),  
21–905(e)(1) and (2), 21–1304(c), ~~and~~ 21–1310(e) 23–1404(a), 23–1406(a),  
23–1407, 23–1703(a), and 23–2602  
Annotated Code of Maryland  
(As enacted by Chapter \_\_\_\_\_ (S.B. 724) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,  
 Article – Business Regulation  
 Section 15–203(a)(5)  
 Annotated Code of Maryland  
 (2015 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,  
 Article – Courts and Judicial Proceedings  
 Section 7–409(a)(2)(xv)  
 Annotated Code of Maryland  
 (2013 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,  
 Article – Criminal Law

Section 10–114(a)(1), 10–118(a)(1), 10–119(b)(1)(iii), 10–121(a), and 10–125(d)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,  
Article – Criminal Procedure  
Section 4–101(c)(1)(ii)1.  
Annotated Code of Maryland  
(2008 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,  
Article – Election Law  
Section 16–207(a)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,  
Article – Health – General  
Section 24–501(e)(2)  
Annotated Code of Maryland  
(2015 Replacement Volume)

BY repealing and reenacting, with amendments,  
Article – Insurance  
Section 2–401(c)(4)(vii) and 27–801(c)(3)(vii)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,  
Article – Local Government  
Section 5–105(a) and 18–203(a)(5)  
Annotated Code of Maryland  
(2013 Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,  
Article – Public Safety  
Section 11–116(a)(2)(xii) and (b)(2)(xii)  
Annotated Code of Maryland  
(2011 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,  
Article – Real Property  
Section 14–123(e)(2)(iii), 14–124(e)(2)(iii), 14–125(e)(2)(iii), and 14–125.1(g)(2)(iii)  
Annotated Code of Maryland  
(2015 Replacement Volume)

BY repealing and reenacting, with amendments,  
 Article – State Government  
 Section 9–1A–24(b)(4), 9–1A–37(a), and 12–101(a)(9)  
 Annotated Code of Maryland  
 (2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,  
 Article – Tax – General  
 Section 5–301(c), 5–302, 10–735(a)(5), 13–834(b)(2), and 13–841(a)(1)  
 Annotated Code of Maryland  
 (2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,  
 Article – Tax – General  
 Section 11–101(m)(13)  
 Annotated Code of Maryland  
 (2010 Replacement Volume and 2015 Supplement)  
 (As enacted by Chapter 3 of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,  
 Article – Transportation  
 Section 21–903(d)  
 Annotated Code of Maryland  
 (2012 Replacement Volume and 2015 Supplement)

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

### **Article – Agriculture**

10–1201.

(e) “Wine” has the meaning stated in [Article 2B, § 1–102 of the Code] **§ 1–101 OF THE ALCOHOLIC BEVERAGES ARTICLE.**

(f) “Winery” means an establishment that has a winery license or limited winery license under [Article 2B, § 2–204 or § 2–205 of the Code] **§ 2–205 OR § 2–206 OF THE ALCOHOLIC BEVERAGES ARTICLE.**

### **Article – Alcoholic Beverages**

**1–302.1.**

**BY REGULATION, THE COMPTROLLER MAY:**

**(1) ESTABLISH OR PROHIBIT THE MAXIMUM DISCOUNTS THAT MAY BE ALLOWED BY A MANUFACTURER, WHOLESALER, OR NONRESIDENT WINERY PERMIT HOLDER IN THE SALE AND DISTRIBUTION OF WINE AND LIQUOR; OR**

**(2) PROHIBIT THE GIVING OF DISCOUNTS BY A MANUFACTURER, WHOLESALER, OR NONRESIDENT WINERY PERMIT HOLDER IN THE SALE AND DISTRIBUTION OF WINE AND LIQUOR.**

2-131.

(b) [The Comptroller] A LOCAL LICENSING BOARD may issue the permit to a nonprofit organization, as defined by [§ 501(c)(3)] § 501(C) of the Internal Revenue Code, that meets the requirements of this section.

4-105.

(a) (1) A license for the use of a limited liability company shall be applied for and issued to AUTHORIZED PERSONS OF THE LIMITED LIABILITY COMPANY, as individuals[:].

(2) (i) [all] ALL of the authorized individuals SHALL APPLY FOR THE LICENSE, if the limited liability company has fewer than three authorized individuals[: or].

(ii) [three] THREE authorized individuals SHALL APPLY FOR THE LICENSE, if the limited liability company has three or more authorized individuals.

[(2)](3) At least one of the authorized individuals shall:

(i) have been a resident of the jurisdiction or municipality for at least 2 years before the application is filed; and

(ii) be a registered voter and taxpayer of the jurisdiction or municipality when the application is filed.

4-109.

(a) [On a] A license application[, an applicant] shall state:

(3) that [the] AT LEAST ONE applicant is a citizen of the United States;

(11) [that] WHETHER the applicant has a financial interest in the business to be conducted under the license;

(13) that the applicant or a person on behalf of whom the application is filed does not have a financial interest [in the jurisdiction] in any other place of business in the jurisdiction for which an alcoholic beverage license has been applied for or issued;

16-2004.

(b) (2) A holder of a 7-day Class B beer and wine license may sell beer and wine for off-premises consumption:

(i) on Monday through Saturday from 8 a.m. to 11 p.m. [the following day]; and

21-903.

(d) A license holder of a Class BDR license may acquire the catering option authorized under [§ 21-901] § 21-902 of this subtitle.

21-905.

(e) (1) For a Class D (on-sale) beer, wine, and liquor license without a catering [privilege] OPTION, the annual fee is \$1,500, and the one-time issuance fee for a new license is \$1,500.

(2) For a Class D (on-sale) beer, wine, and liquor license with a catering [privilege] OPTION, the annual fee is \$2,000, and the issuance fee for a new license is \$2,000.

21-1304.

(c) The license authorizes the holder to display and sell beer that is:

(1) manufactured and processed in [the State] ANY STATE; and

(2) distributed in the State when the license application is filed.

21-1310.

(e) The fee for a Class C multiple [day] EVENT license is:

(1) \$125 for not more than 5 events per year;

(2) \$250 for not more than 12 events per year;

(3) \$375 for not more than 18 events per year; and

(4) \$500 for not more than 24 events per year.

23-1404.

(a) Except as provided in subsection (c) of this section, [an applicant] AT LEAST ONE OF THE APPLICANTS for a new license for a corporation or limited liability company shall certify that as long as the applicant is the holder of the license, the applicant shall:

(1) own at least 10% of the stock in the corporation or interest in the limited liability company; or

(2) (i) serve as the manager or supervisor of the corporation or limited liability company; and

(ii) be physically present on a full-time basis at the licensed premises of the corporation or limited liability company to conduct the daily business involving transactions concerning alcoholic beverages sales.

23-1406.

(a) [An applicant] AT LEAST ONE OF THE APPLICANTS shall include with the application a petition of support signed by at least three residents who are owners of real property and registered voters in the district where the business is to be conducted stating that the applicant:

(1) is known personally to the residents; and

(2) subject to subsection (b) of this section, has been a resident of the County for 2 years immediately preceding the presentation of the application to the residents.

23-1407.

[An applicant for a license shall:]

[(1)](A) AT LEAST ONE OF THE APPLICANTS FOR A LICENSE SHALL be a resident of the County[;].

[(2)](B) [in] IN the determination of the Board, EACH APPLICANT SHALL:

(1) be of good character; and

[(3)](2) include the following information with the application:

(i) a statement that the applicant is at least 18 years old; and

(ii) a checklist and police consent form.

23-1703.

(a) Except as provided in subsection (c) of this section, [an applicant] AT LEAST ONE OF THE APPLICANTS for the transfer of a license for a corporation or limited liability company shall certify that as long as the applicant is the holder of the license, the applicant shall:

(1) own at least 10% of the stock in the corporation or interest in the limited liability company; or

(2) (i) serve as the manager or supervisor of the corporation or limited liability company; and

(ii) be physically present on a full-time basis at the licensed premises of the corporation or limited liability company to conduct the daily business involving transactions concerning alcoholic beverages sales.

23-2602.

(a) The Board may subpoena records pertaining to a licensed establishment.

(b) (1) The Board may petition the circuit court if a witness refuses to produce a subpoenaed record.

(2) The court [may] SHALL proceed by attachment against the witness as if the refusal had been by a witness summoned to appear in a case pending before the court.

### Article – Business Regulation

15-203.

(a) An innkeeper may refuse to provide lodging or services to or may remove from a lodging establishment an individual who:

(5) the innkeeper reasonably believes is using the lodging establishment for the unlawful possession or use of a controlled dangerous substance in violation of Title 5 of the Criminal Law Article or for the consumption of alcohol by an individual under the age of 21 years in violation of [Article 2B, § 12-108 of the Code] **§ 6-304, § 6-307, § 6-308, OR § 6-309 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

### Article – Courts and Judicial Proceedings

7-409.

(a) (2) “Crime” means an act committed by a person in the State that is:

(xv) A crime under [Article 2B, Title 22 or § 18–104 of the Code] **§ 6–301 OR § 33–2503 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

**Article – Criminal Law**

10–114.

(a) Except as provided in subsection (b)(1) of this section, and subject to subsection (b)(2) of this section, an individual under the age of 21 years may not:

(1) possess or have under the individual’s charge or control an alcoholic beverage unless the individual is a bona fide employee of the license holder as defined in [Article 2B, § 1–102 of the Code] **§ 1–101 OF THE ALCOHOLIC BEVERAGES ARTICLE** and the alcoholic beverage is in the possession or under the charge or control of the individual in the course of the individual’s employment and during regular working hours; or

10–118.

(a) Except for a person licensed as an alcoholic beverages licensee under [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE** who possesses a keg in the course of that person’s business, a person may not knowingly:

(1) possess a keg that has not been registered under or does not have a registration form affixed to it as required by [Article 2B, § 21–106 of the Code] **§ 5–303 OF THE ALCOHOLIC BEVERAGES ARTICLE;** or

10–119.

(b) (1) A citation for a violation of §§ 10–113 through 10–115 or a violation of § 10–118 of this part may be issued by:

(iii) subject to paragraphs (2) and (3) of this subsection, in Anne Arundel County, Frederick County, Harford County, Kent County, Montgomery County, Prince George’s County, and Talbot County, and only in the inspector’s jurisdiction, an alcoholic beverages inspector who investigates license violations under [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE.**

10–121.

(a) This section does not apply to a person who:

(1) was acting in the capacity of a licensee, or an employee of a licensee, under [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE;** and

(2) has committed a violation of and is subject to the penalties under [Article 2B, § 12–108 of the Code] **§ 6–304, § 6–307, § 6–308, OR § 6–309 OF THE ALCOHOLIC BEVERAGES ARTICLE.**

10–125.

(d) Notwithstanding [Article 2B, Title 19 of the Code] **§ 6–320, § 6–321, OR § 6–322 OF THE ALCOHOLIC BEVERAGES ARTICLE,** or any other provision of law, the prohibitions contained in this section apply throughout the State.

### **Article – Criminal Procedure**

4–101.

(c) (1) (ii) Subject to paragraph (2) of this subsection, in addition to any other law allowing a crime to be charged by citation, a police officer may charge by citation for:

1. sale of an alcoholic beverage to an underage drinker or intoxicated person under [Article 2B, § 12–108 of the Code] **§ 6–304, § 6–307, § 6–308, OR § 6–309 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

### **Article – Election Law**

16–207.

(a) In this section, “alcoholic beverages” has the meaning provided in [Article 2B, § 1–102 of the Code] **§ 1–101 OF THE ALCOHOLIC BEVERAGES ARTICLE.**

### **Article – Health – General**

24–501.

(e) “Indoor area open to the public” means:

(2) An indoor area of any establishment licensed or permitted under [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE** for the sale or possession of alcoholic beverages.

### **Article – Insurance**

2–401.

(c) “Insurance fraud” means:

(4) any other fraudulent activity that is committed by or against a person regulated under this article and is a violation of:

(vii) [Article 2B, Title 22 of the Code] **§ 6-301 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

27-801.

(c) “Insurance fraud” means:

(3) any other fraudulent activity that is committed by or against a person regulated under this article and is a violation of:

(vii) [Article 2B, Title 22 of the Code] **§ 6-301 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

#### Article – Local Government

5-105.

(a) The legislative body of a municipality may adopt an ordinance regulating the licensing, location, and operation in the municipality of a business establishment that allows on its premises any activity involving nudity and sexual displays listed under [Article 2B, § 10-405(c) through (f) of the Code] **§ 4-605 OF THE ALCOHOLIC BEVERAGES ARTICLE.**

18-203.

(a) The Mayor and City Council of Ocean City may:

(5) grant, on the basis of competitive bidding, concessions on the premises of the Convention Center for the sale of food or beverages, including, subject to [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE**, alcoholic beverages; and

#### Article – Public Safety

11-116.

(a) (2) Paragraph (1) of this subsection does not apply to a person who neither intended to use nor used the explosives involved in violation of:

(xii) [Article 2B, Title 22 or § 18-104 of the Code] **§ 6-301 OR § 33-2503 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

(b) (2) Paragraph (1) of this subsection does not apply to a person who had probable cause to believe that the explosives involved would be used for a purpose other than the violation of:

(xii) [Article 2B, Title 22 or § 18–104 of the Code] **§ 6–301 OR § 33–2503 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

**Article – Real Property**

14–123.

(e) (2) This section may not be construed as to grant standing for an action:

(iii) Involving any violation of alcoholic beverages laws under [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE;** or

14–124.

(e) (2) This section may not be construed as granting standing for an action:

(iii) Involving any violation of alcoholic beverages laws under [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE;** or

14–125.

(e) (2) This section may not be construed as granting standing for an action:

(iii) Involving any violation of alcoholic beverages laws under [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE;** or

14–125.1.

(g) (2) This section may not be construed as granting standing for an action:

(iii) Involving any violation of alcoholic beverages laws under [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE;** or

**Article – State Government**

9–1A–24.

(b) (4) A video lottery operation licensee may provide food at no cost to individuals to the same extent allowed under [Article 2B, § 12–106 of the Code] **§ 5–303 OF THE ALCOHOLIC BEVERAGES ARTICLE** for a person engaged in the sale or barter of spirituous, malt, or intoxicating liquors and licensed under the laws of Maryland.

9–1A–37.

(a) (1) The Commission may consider and make recommendations on proposed changes to this subtitle, Subtitle 1 of this title, and any provisions of [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE** that relate to the regulation of alcoholic beverages at video lottery facilities.

(2) On request of the Governor or the presiding officer of either house of the General Assembly, the Commission shall consider and make recommendations on proposed changes to this subtitle, Subtitle 1 of this title, and any provisions of [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE** that relate to the regulation of alcoholic beverages at video lottery facilities.

(3) A video lottery facility may request that the Commission consider and make recommendations on proposed changes to this subtitle and any provisions of [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE** that relate to the regulation of alcoholic beverages at video lottery facilities.

12–101.

(a) In this subtitle, unless the context clearly requires otherwise, “State personnel” means:

(9) a member of a board of license commissioners of a county or Baltimore City appointed under the provisions of [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE**, or an employee of a board of license commissioners;

### Article – Tax – General

5–301.

(c) A person who holds a nonresident winery permit under [Article 2B, § 2–101(u) of the Code] **§ 2–135 OF THE ALCOHOLIC BEVERAGES ARTICLE** that sells or delivers wine to retail dealers in the State shall pay the alcoholic beverage tax on that wine, in the manner that the Comptroller requires, with the return that covers the period in which the wine manufacturer who holds a nonresident winery permit sells or delivers that wine.

5–302.

Unless otherwise authorized in this title or in [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE**, a person may not buy, possess, sell, store, transport, or allow another person to buy, store, sell, or transport an alcoholic beverage on which the alcoholic beverage tax is not paid.

10-735.

(a) (5) “Winery” means an establishment licensed by the Comptroller as either a Class 3 or Class 4 winery under [Article 2B, §§ 2-204 and 2-205 of the Code] **§ 2-205 OR § 2-206 OF THE ALCOHOLIC BEVERAGES ARTICLE.**

11-101.

(m) “Taxable service” means:

(13) the privilege given to an individual under [Article 2B, § 12-107(b)(10) of the Code] **§ 4-1102 OF THE ALCOHOLIC BEVERAGES ARTICLE** to consume wine that is not purchased from or provided by a restaurant, club, or hotel.

13-834.

(b) “Contraband alcoholic beverage” means an alcoholic beverage, as defined in § 5-101 of this article:

(2) that is delivered, possessed, sold, or transported in the State in a manner not authorized under Title 5 of this article or [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE.**

13-841.

(a) (1) Contraband alcoholic beverages that are seized under this title and forfeited may be disposed of or destroyed in the manner allowed under [Article 2B, § 1-201(f)(5) and (6) and (g) of the Code] **§§ 6-105, 6-106, AND 6-328 OF THE ALCOHOLIC BEVERAGES ARTICLE.**

### **Article – Transportation**

21-903.

(d) Notwithstanding [Article 2B, Title 19 of the Code] **§ 6-320, § 6-321, OR § 6-322 OF THE ALCOHOLIC BEVERAGES ARTICLE,** or any other provision of law, the prohibition contained in this section applies throughout the State.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

**Approved by the Governor, April 26, 2016.**