

SENATE BILL 725

A1, A2

(6lr2042)

ENROLLED BILL

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

Introduced by **The President (By Request – Department of Legislative Services – Code Revision)**

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

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

7 BY repealing and reenacting, with amendments,
8 Article – Agriculture
9 Section 10–1201(e) and (f)
10 Annotated Code of Maryland
11 (2007 Replacement Volume and 2015 Supplement)

12 BY adding to

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

5 BY repealing and reenacting, with amendments,
 6 Article – Alcoholic Beverages
 7 Section 2–131(b), 4–105(a), 4–109(a)(3), (11), and (13), 16–2004(b)(2)(i), 21–903(d),
 8 21–905(e)(1) and (2), 21–1304(c), ~~and~~ 21–1310(e) 23–1404(a), 23–1406(a),
 9 23–1407, 23–1703(a), and 23–2602
 10 Annotated Code of Maryland
 11 (As enacted by Chapter (S.B. 724) of the Acts of the General Assembly of 2016)

12 BY repealing and reenacting, with amendments,
 13 Article – Business Regulation
 14 Section 15–203(a)(5)
 15 Annotated Code of Maryland
 16 (2015 Replacement Volume and 2015 Supplement)

17 BY repealing and reenacting, with amendments,
 18 Article – Courts and Judicial Proceedings
 19 Section 7–409(a)(2)(xv)
 20 Annotated Code of Maryland
 21 (2013 Replacement Volume and 2015 Supplement)

22 BY repealing and reenacting, with amendments,
 23 Article – Criminal Law
 24 Section 10–114(a)(1), 10–118(a)(1), 10–119(b)(1)(iii), 10–121(a), and 10–125(d)
 25 Annotated Code of Maryland
 26 (2012 Replacement Volume and 2015 Supplement)

27 BY repealing and reenacting, with amendments,
 28 Article – Criminal Procedure
 29 Section 4–101(c)(1)(ii)1.
 30 Annotated Code of Maryland
 31 (2008 Replacement Volume and 2015 Supplement)

32 BY repealing and reenacting, with amendments,
 33 Article – Election Law
 34 Section 16–207(a)
 35 Annotated Code of Maryland
 36 (2010 Replacement Volume and 2015 Supplement)

37 BY repealing and reenacting, with amendments,
 38 Article – Health – General
 39 Section 24–501(e)(2)
 40 Annotated Code of Maryland

- 1 (2015 Replacement Volume)
- 2 BY repealing and reenacting, with amendments,
3 Article – Insurance
4 Section 2–401(c)(4)(vii) and 27–801(c)(3)(vii)
5 Annotated Code of Maryland
6 (2011 Replacement Volume and 2015 Supplement)
- 7 BY repealing and reenacting, with amendments,
8 Article – Local Government
9 Section 5–105(a) and 18–203(a)(5)
10 Annotated Code of Maryland
11 (2013 Volume and 2015 Supplement)
- 12 BY repealing and reenacting, with amendments,
13 Article – Public Safety
14 Section 11–116(a)(2)(xii) and (b)(2)(xii)
15 Annotated Code of Maryland
16 (2011 Replacement Volume and 2015 Supplement)
- 17 BY repealing and reenacting, with amendments,
18 Article – Real Property
19 Section 14–123(e)(2)(iii), 14–124(e)(2)(iii), 14–125(e)(2)(iii), and 14–125.1(g)(2)(iii)
20 Annotated Code of Maryland
21 (2015 Replacement Volume)
- 22 BY repealing and reenacting, with amendments,
23 Article – State Government
24 Section 9–1A–24(b)(4), 9–1A–37(a), and 12–101(a)(9)
25 Annotated Code of Maryland
26 (2014 Replacement Volume and 2015 Supplement)
- 27 BY repealing and reenacting, with amendments,
28 Article – Tax – General
29 Section 5–301(c), 5–302, 10–735(a)(5), 13–834(b)(2), and 13–841(a)(1)
30 Annotated Code of Maryland
31 (2010 Replacement Volume and 2015 Supplement)
- 32 BY repealing and reenacting, with amendments,
33 Article – Tax – General
34 Section 11–101(m)(13)
35 Annotated Code of Maryland
36 (2010 Replacement Volume and 2015 Supplement)
37 (As enacted by Chapter 3 of the Acts of the General Assembly of 2016)
- 38 BY repealing and reenacting, with amendments,
39 Article – Transportation

1 Section 21–903(d)
 2 Annotated Code of Maryland
 3 (2012 Replacement Volume and 2015 Supplement)

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

6 **Article – Agriculture**

7 10–1201.

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

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

13 **Article – Alcoholic Beverages**

14 **1–302.1.**

15 **BY REGULATION, THE COMPTROLLER MAY:**

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

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

22 **2–131.**

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

26 **4–105.**

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

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

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

5 ~~(2)~~(3) *At least one of the authorized individuals shall:*

6 (i) *have been a resident of the jurisdiction or municipality for at least*
7 *2 years before the application is filed; and*

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

10 *4-109.*

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

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

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

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

18 *16-2004.*

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

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

23 *21-903.*

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

26 *21-905.*

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

1 (2) For a Class D (on-sale) beer, wine, and liquor license with a catering
 2 [privilege] OPTION, the annual fee is \$2,000, and the issuance fee for a new license is
 3 \$2,000.

4 21-1304.

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

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

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

8 21-1310.

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

10 (1) \$125 for not more than 5 events per year;

11 (2) \$250 for not more than 12 events per year;

12 (3) \$375 for not more than 18 events per year; and

13 (4) \$500 for not more than 24 events per year.

14 23-1404.

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

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

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

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

25 23-1406.

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

1 (1) is known personally to the residents; and

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

4 23-1407.

5 [An applicant for a license shall:]

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

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

9 (1) be of good character; and

10 ~~[(3)](2)~~ include the following information with the application:

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

12 (ii) a checklist and police consent form.

13 23-1703.

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

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

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

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

25 23-2602.

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

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

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

3 **Article – Business Regulation**

4 15–203.

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

7 (5) the innkeeper reasonably believes is using the lodging establishment
 8 for the unlawful possession or use of a controlled dangerous substance in violation of Title
 9 5 of the Criminal Law Article or for the consumption of alcohol by an individual under the
 10 age of 21 years in violation of [Article 2B, § 12–108 of the Code] **§ 6–304, § 6–307, §**
 11 **6–308, OR § 6–309 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

12 **Article – Courts and Judicial Proceedings**

13 7–409.

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

15 (xv) A crime under [Article 2B, Title 22 or § 18–104 of the Code] **§**
 16 **6–301 OR § 33–2503 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

17 **Article – Criminal Law**

18 10–114.

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

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

27 10–118.

28 (a) Except for a person licensed as an alcoholic beverages licensee under [Article
 29 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE** who possesses a keg in the
 30 course of that person’s business, a person may not knowingly:

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

4 10–119.

5 (b) (1) A citation for a violation of §§ 10–113 through 10–115 or a violation of
 6 § 10–118 of this part may be issued by:

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

12 10–121.

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

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

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

19 10–125.

20 (d) Notwithstanding [Article 2B, Title 19 of the Code] **§ 6–320, § 6–321, OR §**
 21 **6–322 OF THE ALCOHOLIC BEVERAGES ARTICLE**, or any other provision of law, the
 22 prohibitions contained in this section apply throughout the State.

23 **Article – Criminal Procedure**

24 4–101.

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

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

31 **Article – Election Law**

1 16–207.

2 (a) In this section, “alcoholic beverages” has the meaning provided in [Article 2B,
3 § 1–102 of the Code] **§ 1–101 OF THE ALCOHOLIC BEVERAGES ARTICLE.**

4 **Article – Health – General**

5 24–501.

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

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

10 **Article – Insurance**

11 2–401.

12 (c) “Insurance fraud” means:

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

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

17 27–801.

18 (c) “Insurance fraud” means:

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

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

23 **Article – Local Government**

24 5–105.

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

1 18–203.

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

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

6 **Article – Public Safety**

7 11–116.

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

10 (xii) [Article 2B, Title 22 or § 18–104 of the Code] **§ 6–301 OR §**
11 **33–2503 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

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

15 (xii) [Article 2B, Title 22 or § 18–104 of the Code] **§ 6–301 OR §**
16 **33–2503 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

17 **Article – Real Property**

18 14–123.

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

20 (iii) Involving any violation of alcoholic beverages laws under [Article
21 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE;** or

22 14–124.

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

24 (iii) Involving any violation of alcoholic beverages laws under [Article
25 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE;** or

26 14–125.

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

1 (iii) Involving any violation of alcoholic beverages laws under [Article
2 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE**; or
3 14–125.1.

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

5 (iii) Involving any violation of alcoholic beverages laws under [Article
6 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE**; or

7 **Article – State Government**

8 9–1A–24.

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

13 9–1A–37.

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

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

23 (3) A video lottery facility may request that the Commission consider and
24 make recommendations on proposed changes to this subtitle and any provisions of [Article
25 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE** that relate to the regulation of
26 alcoholic beverages at video lottery facilities.

27 12–101.

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

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

1 **Article – Tax – General**

2 5–301.

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

8 5–302.

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

13 10–735.

14 (a) (5) “Winery” means an establishment licensed by the Comptroller as either
15 a Class 3 or Class 4 winery under [Article 2B, §§ 2–204 and 2–205 of the Code] **§ 2–205 OR**
16 **§ 2–206 OF THE ALCOHOLIC BEVERAGES ARTICLE**.

17 11–101.

18 (m) “Taxable service” means:

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

22 13–834.

23 (b) “Contraband alcoholic beverage” means an alcoholic beverage, as defined in §
24 5–101 of this article:

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

28 13–841.

29 (a) (1) Contraband alcoholic beverages that are seized under this title and
30 forfeited may be disposed of or destroyed in the manner allowed under [Article 2B, §
31 1–201(f)(5) and (6) and (g) of the Code] **§§ 6–105, 6–106, AND 6–328 OF THE ALCOHOLIC**
32 **BEVERAGES ARTICLE**.

1 **Article – Transportation**

2 21–903.

3 (d) Notwithstanding [Article 2B, Title 19 of the Code] **§ 6–320, § 6–321, OR §**
4 **6–322 OF THE ALCOHOLIC BEVERAGES ARTICLE**, or any other provision of law, the
5 prohibition contained in this section applies throughout the State.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
7 1, 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.