

HOUSE BILL 315

A2

71r0773

By: **Montgomery County Delegation**

Introduced and read first time: January 25, 2017

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2017

CHAPTER _____

1 AN ACT concerning

2 **Montgomery County – Alcoholic Beverages – ~~Class A Agency Store Beer, Wine,~~**
3 **~~and Liquor Licenses~~ Contracts to Sell Liquor for Off-Premises Consumption**

4 MC 18-17

5 FOR the purpose of ~~authorizing the Montgomery County Board of License Commissioners~~
6 ~~to adopt regulations establishing a Class A agency store beer, wine, and liquor~~
7 ~~license, subject to the approval of the Montgomery County Executive; specifying the~~
8 ~~scope of a Class A agency store beer, wine, and liquor license; requiring certain~~
9 ~~regulations to establish certain terms and conditions that govern the sale of beer,~~
10 ~~wine, and liquor by certain license holders; authorizing the Board to issue a Class A~~
11 ~~agency store beer, wine, and liquor license to a holder of a Class A beer and wine~~
12 ~~license who completes a certain application and surrenders a certain license, subject~~
13 ~~to a certain provision of law; specifying that a certain license holder may purchase~~
14 ~~liquor only from the Montgomery County Department of Liquor Control; requiring~~
15 ~~the Board and the Department of Liquor Control to establish certain criteria for the~~
16 ~~issuance of a certain license; authorizing the Board and the Department of Liquor~~
17 ~~Control to adopt limitations on the total number of licenses that may be issued and~~
18 ~~to impose certain distance restrictions; providing for the termination of a Class A~~
19 ~~agency store beer, wine, and liquor license and requiring the Board to reissue a Class~~
20 ~~A beer and wine license on termination of a certain agency relationship with the~~
21 ~~Department of Liquor Control; specifying a certain annual license fee; authorizing~~
22 ~~the Montgomery County Department of Liquor Control to contract with certain retail~~
23 ~~outlets to sell liquor for off-premises consumption under certain circumstances;~~
24 ~~requiring the Department to adopt regulations to establish criteria for contracting~~

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.



1 with retail outlets; repealing certain provisions relating to the sale of certain items
 2 by a retail outlet; and generally relating to the sale of alcoholic beverages in
 3 Montgomery County.

4 ~~BY renumbering~~

5 ~~Article – Alcoholic Beverages~~

6 ~~Section 25–901~~

7 ~~to be Section 25–901.1~~

8 ~~Annotated Code of Maryland~~

9 ~~(2016 Volume and 2016 Supplement)~~

10 BY repealing and reenacting, without amendments,

11 Article – Alcoholic Beverages

12 Section 25–102

13 Annotated Code of Maryland

14 (2016 Volume and 2016 Supplement)

15 ~~BY adding to~~

16 ~~Article – Alcoholic Beverages~~

17 ~~Section 25–901~~

18 ~~Annotated Code of Maryland~~

19 ~~(2016 Volume and 2016 Supplement)~~

20 BY repealing and reenacting, with amendments,

21 Article – Alcoholic Beverages

22 Section 25–310

23 Annotated Code of Maryland

24 (2016 Volume and 2016 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

26 ~~That Section(s) 25–901 of Article – Alcoholic Beverages of the Annotated Code of Maryland~~

27 ~~be renumbered to be Section(s) 25–901.1.~~

28 ~~SECTION 2. AND BE IT FURTHER ENACTED,~~ That the Laws of Maryland read

29 as follows:

30 **Article – Alcoholic Beverages**

31 25–102.

32 This title applies only in Montgomery County.

33 ~~25–901.~~

34 ~~(A) (1) SUBJECT TO THE APPROVAL OF THE COUNTY EXECUTIVE, THE~~
 35 ~~BOARD MAY ADOPT REGULATIONS ESTABLISHING A CLASS A AGENCY STORE BEER,~~
 36 ~~WINE, AND LIQUOR LICENSE.~~

1 ~~(2) SUBJECT TO PARAGRAPH (1) OF THIS SUBSECTION, THE LICENSE~~
2 ~~AUTHORIZES THE LICENSE HOLDER TO SELL AT THE PLACE DESCRIBED IN THE~~
3 ~~LICENSE.~~

4 ~~(I) BEER AND WINE AT RETAIL; AND~~

5 ~~(II) LIQUOR AS AN AGENT FOR THE DEPARTMENT OF LIQUOR~~
6 ~~CONTROL.~~

7 ~~(3) THE REGULATIONS SHALL ESTABLISH THE TERMS AND~~
8 ~~CONDITIONS THAT GOVERN THE SALE OF BEER, WINE, AND LIQUOR BY THE LICENSE~~
9 ~~HOLDER.~~

10 ~~(B) SUBJECT TO SUBSECTION (A) OF THIS SECTION, THE BOARD MAY ISSUE~~
11 ~~A CLASS A AGENCY STORE BEER, WINE, AND LIQUOR LICENSE TO A CLASS A BEER~~
12 ~~AND WINE LICENSE HOLDER WHO:~~

13 ~~(1) COMPLETES THE APPLICATION THAT THE BOARD PROVIDES;~~

14 ~~(2) MEETS THE CRITERIA ESTABLISHED BY THE BOARD AND THE~~
15 ~~DEPARTMENT OF LIQUOR CONTROL UNDER SUBSECTION (D) OF THIS SECTION; AND~~

16 ~~(3) SUBJECT TO SUBSECTION (E) OF THIS SECTION, SURRENDERS THE~~
17 ~~CLASS A BEER AND WINE LICENSE.~~

18 ~~(C) THE HOLDER OF A CLASS A AGENCY STORE BEER, WINE, AND LIQUOR~~
19 ~~LICENSE MAY PURCHASE LIQUOR ONLY FROM THE DEPARTMENT OF LIQUOR~~
20 ~~CONTROL.~~

21 ~~(D) THE BOARD AND THE DEPARTMENT OF LIQUOR CONTROL:~~

22 ~~(1) SHALL ESTABLISH CRITERIA FOR THE ISSUANCE OF A CLASS A~~
23 ~~AGENCY STORE BEER, WINE, AND LIQUOR LICENSE UNDER SUBSECTION (A) OF THIS~~
24 ~~SECTION; AND~~

25 ~~(2) MAY ADOPT:~~

26 ~~(I) LIMITATIONS ON THE TOTAL NUMBER OF CLASS A AGENCY~~
27 ~~STORE BEER, WINE, AND LIQUOR LICENSES THAT MAY BE ISSUED; AND~~

28 ~~(II) DISTANCE RESTRICTIONS ON THE ISSUANCE OF A LICENSE~~
29 ~~FOR AN ESTABLISHMENT THAT IS LOCATED WITHIN A SPECIFIED DISTANCE OF A~~
30 ~~COUNTY OWNED STORE.~~

~~(E) ON TERMINATION OF AN AGENCY RELATIONSHIP BETWEEN THE LICENSE HOLDER AND THE DEPARTMENT OF LIQUOR CONTROL FOR THE SALE OF LIQUOR:~~

~~(1) THE CLASS A AGENCY STORE BEER, WINE, AND LIQUOR LICENSE SHALL TERMINATE; AND~~

~~(2) THE BOARD SHALL REISSUE THE CLASS A BEER AND WINE LICENSE TO THE LICENSE HOLDER.~~

~~(F) THE ANNUAL FEE FOR A CLASS A AGENCY STORE BEER, WINE, AND LIQUOR LICENSE IS \$5,000.~~

25-310.

(a) With the approval of the County Executive, the Director may establish a dispensary at one or more locations that the Director determines.

(b) (1) The Department may sell its inventory through:

(i) dispensaries selling at wholesale and retail; and

(ii) subject to subsection (c) of this section, retail outlets operated by individuals with whom the Department contracts.

(2) Notwithstanding any other law, the Director may sell at wholesale or retail alcoholic beverages in whole cases or in individual bottles through dispensaries to a license holder in the county.

(3) The Department may not sell alcoholic beverages at different prices to different license holders or classes of license holders.

(c) (1) The Director may not contract with a person to operate:

(i) a dispensary; or

(ii) except as provided in paragraph (2) of this subsection, a retail outlet for the sale of beer, wine, and liquor.

(2) The Director may enter into a contract with a person to operate a retail outlet for the sale of [beer, wine, and] liquor FOR OFF-PREMISES CONSUMPTION if THE PERSON HOLDS ANY LICENSE FOR OFF-PREMISES CONSUMPTION OR FOR ON- AND OFF-PREMISES CONSUMPTION[;

1 (i) the Board of License Commissioners determines that the person
2 is fit to operate the retail outlet; and

3 (ii) the Director had a contract with a person to operate the retail
4 outlet on January 1, 1997].

5 **(3) THE DEPARTMENT SHALL ESTABLISH CRITERIA FOR**
6 **CONTRACTING WITH RETAIL OUTLETS.**

7 (d) A dispensary [or a retail outlet operated under contract with the Director]:

8 (1) may sell only:

9 (i) for off-premises consumption, nonchilled beer, wine, and liquor;

10 (ii) ice;

11 (iii) bottled water; and

12 (iv) items commonly associated with the serving or consumption of
13 alcoholic beverages, including bottle openers, corkscrews, drink mixes, and lime juice; and

14 (2) may not sell snack foods or soft drinks.

15 (e) The Department may sell or deliver alcoholic beverages to a retail license
16 holder from 6 a.m. to midnight on every day except Sunday.

17 (f) A manager of a dispensary, an individual who contracts to operate a retail
18 outlet as authorized under subsection (c) of this section, or an employee of a dispensary or
19 retail outlet who commits a prohibited act related to the sale or providing of alcoholic
20 beverages to individuals under the age of 21 years under this article or the Criminal Law
21 Article is subject to:

22 (1) any penalty authorized by law, including a civil citation issued under §
23 10-119 of the Criminal Law Article; and

24 (2) a fine and suspension or revocation of employment by the Board in the
25 same manner as a license holder or employee of a license holder would be subject to a fine
26 and suspension or revocation of the license for the violation.

27 (g) Title 4, Subtitle 2 of this article does not apply to this section.

28 SECTION ~~2~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 July 1, 2017.