

HOUSE BILL 1338

A1

7lr2440

By: **Delegates McKay, Beitzel, and Buckel**

Introduced and read first time: February 10, 2017

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Wholesalers – Payment on Delivery**

3 FOR the purpose of altering the acceptable forms of payment that a retail dealer may use
4 to pay a holder of a wholesaler's license for the delivery of beer; authorizing a holder
5 of a wholesaler's license to accept payment on delivery from a retail dealer for the
6 delivery of wine and liquor; making certain stylistic and conforming changes; and
7 generally relating to alcoholic beverages.

8 BY repealing and reenacting, with amendments,

9 Article – Alcoholic Beverages

10 Section 2–314, 10–501, 11–501, 13–501, 14–501, 16–501, 23–501, 25–501, 26–501,
11 29–501, 31–501, 32–501, and 33–501

12 Annotated Code of Maryland

13 (2016 Volume and 2016 Supplement)

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

15 That the Laws of Maryland read as follows:

16 **Article – Alcoholic Beverages**

17 2–314.

18 (a) **(1)** A holder of a wholesaler's license may [not sell beer to] **ACCEPT ANY**
19 **FORM OF PAYMENT ON DELIVERY TO** a retail dealer [on terms other than for cash on
20 delivery] **OF:**

21 **(I) WINE AND LIQUOR; AND**

22 **(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, BEER.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **[(b)] (2)** A suit or civil action to enforce or collect a claim for credit extended or
2 enforce payment of a check given for payment **FOR THE DELIVERY OF BEER** in violation
3 of this section may not be maintained in the State.

4 **[(c)](B)** A person that violates this section is subject to the penalties provided
5 in § 6–402 of this article.

6 10–501.

7 (a) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
8 Division I of this article apply in the City without exception or variation:

9 (1) § 2–301 (“Licenses issued by Comptroller”);

10 (2) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”);

11 (3) § 2–303 (“Class 2 wine and liquor wholesaler’s license”);

12 (4) § 2–304 (“Class 3 beer and wine wholesaler’s license”);

13 (5) § 2–305 (“Class 4 beer wholesaler’s license”);

14 (6) § 2–306 (“Class 5 wine wholesaler’s license”);

15 (7) § 2–307 (“Class 6 limited wine wholesaler’s license”);

16 (8) § 2–308 (“Class 7 limited beer wholesaler’s license”);

17 (9) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s vehicle”);

18 (10) § 2–310 (“Sale and delivery to retail license holder”);

19 (11) § 2–311 (“Additional wholesaler’s licenses”);

20 (12) § 2–312 (“Direct importation of alcoholic beverages”);

21 (13) § 2–313 (“Sale or delivery restricted to holder of license or permit”);

22 (14) § 2–315 (“Interaction between wholesaling entities and retailers”);

23 (15) § 2–316 (“Distribution of alcoholic beverages — Prohibited practices”);

24 and

25 (16) § 2–317 (“Restrictive agreements between wholesalers and retailers
26 — Prohibited”).

1 (b) Section 2–314 ([“Beer sale on credit] **“PAYMENT ON DELIVERY** to retail
2 dealer [prohibited]”) of Division I of this article does not apply in the City.

3 11–501.

4 (a) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
5 Division I of this article apply in the county without exception or variation:

6 (1) § 2–301 (“Licenses issued by Comptroller”);

7 (2) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”);

8 (3) § 2–303 (“Class 2 wine and liquor wholesaler’s license”);

9 (4) § 2–304 (“Class 3 beer and wine wholesaler’s license”);

10 (5) § 2–305 (“Class 4 beer wholesaler’s license”);

11 (6) § 2–306 (“Class 5 wine wholesaler’s license”);

12 (7) § 2–307 (“Class 6 limited wine wholesaler’s license”);

13 (8) § 2–308 (“Class 7 limited beer wholesaler’s license”);

14 (9) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s vehicle”);

15 (10) § 2–310 (“Sale and delivery to retail license holder”);

16 (11) § 2–311 (“Additional wholesaler’s licenses”);

17 (12) § 2–312 (“Direct importation of alcoholic beverages”);

18 (13) § 2–313 (“Sale or delivery restricted to holder of license or permit”);

19 (14) § 2–315 (“Interaction between wholesaling entities and retailers”);

20 (15) § 2–316 (“Distribution of alcoholic beverages — Prohibited practices”);

21 and

22 (16) § 2–317 (“Restrictive agreements between wholesalers and retailers
23 — Prohibited”).

24 (b) Section 2–314 ([“Beer sale on credit] **“PAYMENT ON DELIVERY** to retail
25 dealer [prohibited]”) of Division I of this article applies in the county, subject to § 11–504
26 of this subtitle.

27 13–501.

1 (a) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
2 Division I of this article apply in the county without exception or variation:

3 (1) § 2–301 (“Licenses issued by Comptroller”);

4 (2) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”);

5 (3) § 2–303 (“Class 2 wine and liquor wholesaler’s license”);

6 (4) § 2–304 (“Class 3 beer and wine wholesaler’s license”);

7 (5) § 2–305 (“Class 4 beer wholesaler’s license”);

8 (6) § 2–306 (“Class 5 wine wholesaler’s license”);

9 (7) § 2–307 (“Class 6 limited wine wholesaler’s license”);

10 (8) § 2–308 (“Class 7 limited beer wholesaler’s license”);

11 (9) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s vehicle”);

12 (10) § 2–310 (“Sale and delivery to retail license holder”);

13 (11) § 2–311 (“Additional wholesaler’s licenses”);

14 (12) § 2–312 (“Direct importation of alcoholic beverages”);

15 (13) § 2–313 (“Sale or delivery restricted to holder of license or permit”);

16 (14) § 2–315 (“Interaction between wholesaling entities and retailers”);

17 (15) § 2–316 (“Distribution of alcoholic beverages — Prohibited practices”);

18 and

19 (16) § 2–317 (“Restrictive agreements between wholesalers and retailers
20 — Prohibited”).

21 (b) Section 2–314 ([“Beer sale on credit] **“PAYMENT ON DELIVERY** to retail
22 dealer [prohibited]”) of Division I of this article does not apply in the county.

23 14–501.

24 (a) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
25 Division I of this article apply in the county without exception or variation:

26 (1) § 2–301 (“Licenses issued by Comptroller”);

- 1 (2) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”);
- 2 (3) § 2–303 (“Class 2 wine and liquor wholesaler’s license”);
- 3 (4) § 2–304 (“Class 3 beer and wine wholesaler’s license”);
- 4 (5) § 2–305 (“Class 4 beer wholesaler’s license”);
- 5 (6) § 2–306 (“Class 5 wine wholesaler’s license”);
- 6 (7) § 2–307 (“Class 6 limited wine wholesaler’s license”);
- 7 (8) § 2–308 (“Class 7 limited beer wholesaler’s license”);
- 8 (9) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s vehicle”);
- 9 (10) § 2–310 (“Sale and delivery to retail license holder”);
- 10 (11) § 2–311 (“Additional wholesaler’s licenses”);
- 11 (12) § 2–312 (“Direct importation of alcoholic beverages”);
- 12 (13) § 2–313 (“Sale or delivery restricted to holder of license or permit”);
- 13 (14) § 2–315 (“Interaction between wholesaling entities and retailers”);
- 14 (15) § 2–316 (“Distribution of alcoholic beverages — Prohibited practices”);
- 15 and
- 16 (16) § 2–317 (“Restrictive agreements between wholesalers and retailers
- 17 — Prohibited”).

18 (b) Section 2–314 ([“Beer sale on credit] **“PAYMENT ON DELIVERY** to retail

19 dealer [prohibited]”) of Division I of this article does not apply in the county.

20 16–501.

21 (a) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of

22 Division I of this article apply in the county without exception or variation:

- 23 (1) § 2–301 (“Licenses issued by Comptroller”);
- 24 (2) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”);
- 25 (3) § 2–303 (“Class 2 wine and liquor wholesaler’s license”);

- 1 (4) § 2–304 (“Class 3 beer and wine wholesaler’s license”);
- 2 (5) § 2–305 (“Class 4 beer wholesaler’s license”);
- 3 (6) § 2–306 (“Class 5 wine wholesaler’s license”);
- 4 (7) § 2–307 (“Class 6 limited wine wholesaler’s license”);
- 5 (8) § 2–308 (“Class 7 limited beer wholesaler’s license”);
- 6 (9) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s vehicle”);
- 7 (10) § 2–310 (“Sale and delivery to retail license holder”);
- 8 (11) § 2–311 (“Additional wholesaler’s licenses”);
- 9 (12) § 2–312 (“Direct importation of alcoholic beverages”);
- 10 (13) § 2–313 (“Sale or delivery restricted to holder of license or permit”);
- 11 (14) § 2–315 (“Interaction between wholesaling entities and retailers”);
- 12 (15) § 2–316 (“Distribution of alcoholic beverages — Prohibited practices”);
- 13 and
- 14 (16) § 2–317 (“Restrictive agreements between wholesalers and retailers
- 15 — Prohibited”).

16 (b) Section 2–314 ([“Beer sale on credit] **“PAYMENT ON DELIVERY** to retail

17 dealer [prohibited]”) of Division I of this article does not apply in the county.

18 23–501.

19 (a) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of

20 Division I of this article apply in the county without exception or variation:

- 21 (1) § 2–301 (“Licenses issued by Comptroller”);
- 22 (2) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”);
- 23 (3) § 2–303 (“Class 2 wine and liquor wholesaler’s license”);
- 24 (4) § 2–304 (“Class 3 beer and wine wholesaler’s license”);
- 25 (5) § 2–305 (“Class 4 beer wholesaler’s license”);
- 26 (6) § 2–306 (“Class 5 wine wholesaler’s license”);

- 1 (7) § 2–307 (“Class 6 limited wine wholesaler’s license”);
2 (8) § 2–308 (“Class 7 limited beer wholesaler’s license”);
3 (9) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s vehicle”);
4 (10) § 2–310 (“Sale and delivery to retail license holder”);
5 (11) § 2–311 (“Additional wholesaler’s licenses”);
6 (12) § 2–312 (“Direct importation of alcoholic beverages”);
7 (13) § 2–313 (“Sale or delivery restricted to holder of license or permit”);
8 (14) § 2–315 (“Interaction between wholesaling entities and retailers”);
9 (15) § 2–316 (“Distribution of alcoholic beverages — Prohibited practices”);
10 and
11 (16) § 2–317 (“Restrictive agreements between wholesalers and retailers
12 — Prohibited”).

13 (b) Section 2–314 ([“Beer sale on credit] **“PAYMENT ON DELIVERY** to retail
14 dealer [prohibited]”) of Division I of this article does not apply in the county.
15 25–501.

16 (a) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
17 Division I of this article apply in the county without exception or variation:

- 18 (1) § 2–301 (“Licenses issued by Comptroller”);
19 (2) § 2–307 (“Class 6 limited wine wholesaler’s license”);
20 (3) § 2–308 (“Class 7 limited beer wholesaler’s license”);
21 (4) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s vehicle”);
22 (5) § 2–310 (“Sale and delivery to retail license holder”);
23 (6) § 2–311 (“Additional wholesaler’s licenses”);
24 (7) § 2–312 (“Direct importation of alcoholic beverages”);
25 (8) § 2–313 (“Sale or delivery restricted to holder of license or permit”);

1 (9) § 2–315 (“Interaction between wholesaling entities and retailers”);

2 (10) § 2–316 (“Distribution of alcoholic beverages — Prohibited practices”);

3 and

4 (11) § 2–317 (“Restrictive agreements between wholesalers and retailers
5 — Prohibited”).

6 (b) Section 2–314 ([“Beer sale on credit] **“PAYMENT ON DELIVERY** to retail
7 dealer [prohibited]”) of Division I of this article does not apply in the county.

8 (c) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
9 Division I of this article apply in the county subject to § 25–502 of this subtitle:

10 (1) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”);

11 (2) § 2–303 (“Class 2 wine and liquor wholesaler’s license”);

12 (3) § 2–304 (“Class 3 beer and wine wholesaler’s license”);

13 (4) § 2–305 (“Class 4 beer wholesaler’s license”); and

14 (5) § 2–306 (“Class 5 wine wholesaler’s license”).

15 26–501.

16 (a) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
17 Division I of this article apply in the county without exception or variation:

18 (1) § 2–301 (“Licenses issued by Comptroller”);

19 (2) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”);

20 (3) § 2–303 (“Class 2 wine and liquor wholesaler’s license”);

21 (4) § 2–304 (“Class 3 beer and wine wholesaler’s license”);

22 (5) § 2–305 (“Class 4 beer wholesaler’s license”);

23 (6) § 2–306 (“Class 5 wine wholesaler’s license”);

24 (7) § 2–307 (“Class 6 limited wine wholesaler’s license”);

25 (8) § 2–308 (“Class 7 limited beer wholesaler’s license”);

26 (9) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s vehicle”);

- 1 (10) § 2–310 (“Sale and delivery to retail license holder”);
- 2 (11) § 2–311 (“Additional wholesaler’s licenses”);
- 3 (12) § 2–312 (“Direct importation of alcoholic beverages”);
- 4 (13) § 2–313 (“Sale or delivery restricted to holder of license or permit”);
- 5 (14) § 2–315 (“Interaction between wholesaling entities and retailers”);
- 6 (15) § 2–316 (“Distribution of alcoholic beverages — Prohibited practices”);
- 7 and
- 8 (16) § 2–317 (“Restrictive agreements between wholesalers and retailers
- 9 — Prohibited”).

10 (b) Section 2–314 ([“Beer sale on credit] **“PAYMENT ON DELIVERY** to retail

11 dealer [prohibited]”) of Division I of this article applies in the county, subject to § 26–504

12 of this subtitle.

13 29–501.

14 (a) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of

15 Division I of this article apply in the county without exception or variation:

- 16 (1) § 2–301 (“Licenses issued by Comptroller”);
- 17 (2) § 2–304 (“Class 3 beer and wine wholesaler’s license”);
- 18 (3) § 2–305 (“Class 4 beer wholesaler’s license”);
- 19 (4) § 2–306 (“Class 5 wine wholesaler’s license”);
- 20 (5) § 2–307 (“Class 6 limited wine wholesaler’s license”);
- 21 (6) § 2–308 (“Class 7 limited beer wholesaler’s license”);
- 22 (7) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s vehicle”);
- 23 (8) § 2–310 (“Sale and delivery to retail license holder”);
- 24 (9) § 2–311 (“Additional wholesaler’s licenses”);
- 25 (10) § 2–312 (“Direct importation of alcoholic beverages”);
- 26 (11) § 2–313 (“Sale or delivery restricted to holder of license or permit”);

1 (12) § 2–314 ([“Beer sale on credit] **“PAYMENT ON DELIVERY** to retail
2 dealer [prohibited”]);

3 (13) § 2–315 (“Interaction between wholesaling entities and retailers”);

4 (14) § 2–316 (“Distribution of alcoholic beverages — Prohibited practices”);
5 and

6 (15) § 2–317 (“Restrictive agreements between wholesalers and retailers
7 — Prohibited”).

8 (b) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
9 Division I of this article apply in the county, subject to § 29–504 of this subtitle:

10 (1) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”); and

11 (2) § 2–303 (“Class 2 wine and liquor wholesaler’s license”).

12 31–501.

13 (a) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
14 Division I of this article apply in the county without exception or variation:

15 (1) § 2–301 (“Licenses issued by Comptroller”);

16 (2) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”);

17 (3) § 2–303 (“Class 2 wine and liquor wholesaler’s license”);

18 (4) § 2–304 (“Class 3 beer and wine wholesaler’s license”);

19 (5) § 2–305 (“Class 4 beer wholesaler’s license”);

20 (6) § 2–306 (“Class 5 wine wholesaler’s license”);

21 (7) § 2–307 (“Class 6 limited wine wholesaler’s license”);

22 (8) § 2–308 (“Class 7 limited beer wholesaler’s license”);

23 (9) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s vehicle”);

24 (10) § 2–310 (“Sale and delivery to retail license holder”);

25 (11) § 2–311 (“Additional wholesaler’s licenses”);

26 (12) § 2–312 (“Direct importation of alcoholic beverages”);

- 1 (13) § 2–313 (“Sale or delivery restricted to holder of license or permit”);
- 2 (14) § 2–315 (“Interaction between wholesaling entities and retailers”);
- 3 (15) § 2–316 (“Distribution of alcoholic beverages — Prohibited practices”);
- 4 and
- 5 (16) § 2–317 (“Restrictive agreements between wholesalers and retailers
- 6 — Prohibited”).

7 (b) Section 2–314 ([“Beer sale on credit] **“PAYMENT ON DELIVERY** to retail

8 dealer [prohibited]”) of Division I of this article applies in the county, subject to § 31–504

9 of this subtitle.

10 32–501.

11 (a) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of

12 Division I of this article apply in the county without exception or variation:

- 13 (1) § 2–301 (“Licenses issued by Comptroller”);
- 14 (2) § 2–304 (“Class 3 beer and wine wholesaler’s license”);
- 15 (3) § 2–305 (“Class 4 beer wholesaler’s license”);
- 16 (4) § 2–306 (“Class 5 wine wholesaler’s license”);
- 17 (5) § 2–307 (“Class 6 limited wine wholesaler’s license”);
- 18 (6) § 2–308 (“Class 7 limited beer wholesaler’s license”);
- 19 (7) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s vehicle”);
- 20 (8) § 2–310 (“Sale and delivery to retail license holder”);
- 21 (9) § 2–311 (“Additional wholesaler’s licenses”);
- 22 (10) § 2–312 (“Direct importation of alcoholic beverages”);
- 23 (11) § 2–313 (“Sale or delivery restricted to holder of license or permit”);
- 24 (12) § 2–314 ([“Beer sale on credit] **“PAYMENT ON DELIVERY** to retail
- 25 dealer [prohibited]”);
- 26 (13) § 2–315 (“Interaction between wholesaling entities and retailers”);

1 (14) § 2–316 (“Distribution of alcoholic beverages — Prohibited practices”);
2 and

3 (15) § 2–317 (“Restrictive agreements between wholesalers and retailers
4 — Prohibited”).

5 (b) The following sections of Title 2, Subtitle 3 (“Wholesaler’s licenses”) of Division
6 I of this article apply in the county, subject to § 32–504 of this subtitle:

7 (1) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”); and

8 (2) § 2–303 (“Class 2 wine and liquor wholesaler’s license”).

9 33–501.

10 (a) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
11 Division I of this article apply in the county without exception or variation:

12 (1) § 2–301 (“Licenses issued by Comptroller”);

13 (2) § 2–304 (“Class 3 beer and wine wholesaler’s license”);

14 (3) § 2–305 (“Class 4 beer wholesaler’s license”);

15 (4) § 2–306 (“Class 5 wine wholesaler’s license”);

16 (5) § 2–307 (“Class 6 limited wine wholesaler’s license”);

17 (6) § 2–308 (“Class 7 limited beer wholesaler’s license”);

18 (7) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s vehicle”);

19 (8) § 2–310 (“Sale and delivery to retail license holder”);

20 (9) § 2–311 (“Additional wholesaler’s licenses”);

21 (10) § 2–312 (“Direct importation of alcoholic beverages”);

22 (11) § 2–313 (“Sale or delivery restricted to holder of license or permit”);

23 (12) § 2–315 (“Interaction between wholesaling entities and retailers”);

24 (13) § 2–316 (“Distribution of alcoholic beverages — Prohibited practices”);
25 and

26 (14) § 2–317 (“Restrictive agreements between wholesalers and retailers
27 — Prohibited”).

1 (b) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
2 Division I of this article apply in the county:

3 (1) §§ 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”) and
4 2–303 (“Class 2 wine and liquor wholesaler’s license”), subject to § 33–505 of this subtitle;
5 and

6 (2) § 2–314 ([“Beer sale on credit] **“PAYMENT ON DELIVERY** to retail
7 dealer [prohibited]”), subject to § 33–504 of this subtitle.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2017.