

HOUSE BILL 145

A2

8lr0489

By: **Montgomery County Delegation**

Introduced and read first time: January 17, 2018

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2018

CHAPTER _____

1 AN ACT concerning

2 **Montgomery County – Kensington – Alcoholic Beverages Licenses**

3 **MC 12-18**

4 FOR the purpose of ~~authorizing the Board of License Commissioners for Montgomery~~
5 ~~County to issue a local caterer's license to a certain Class B license holder in~~
6 ~~Kensington;~~ prohibiting the Comptroller from issuing more than a certain number
7 of Class 7 micro-brewery licenses in the Town of Kensington; authorizing the Board
8 of License Commissioners to issue a catering extension to a holder of a Class B-K
9 beer and wine license; requiring certain license holders to exercise the privileges of
10 a catering extension during certain times; clarifying that the holder of certain
11 licenses are not required to obtain a catering extension for catering in certain
12 locations; altering the ratio of gross receipts between certain food and alcoholic
13 beverages for a B-K license holder; authorizing the Board to issue not more than a
14 certain number in aggregate of Class A (off-sale) beer and wine licenses, Class D
15 beer licenses, and Class D beer and wine licenses for use in certain commercial areas
16 in Kensington; repealing a certain provision of law that prohibits a holder of a Class
17 A beer and wine license in Kensington from selling single bottles or cans of beer and
18 selling refrigerated products; prohibiting a holder of a Class D beer license and a
19 Class D beer and wine license in Kensington from placing certain alcoholic beverages
20 advertisements in a certain location; allowing the Board to issue more than one Class
21 B-K license as one of the licenses the same license holder may hold; altering the
22 hours of sale for a Class A beer and wine license holder in Kensington; and generally
23 relating to alcoholic beverages in Kensington.

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 BY repealing and reenacting, without amendments,
 2 Article – Alcoholic Beverages
 3 Section 25–102
 4 Annotated Code of Maryland
 5 (2016 Volume and 2017 Supplement)

6 BY repealing and reenacting, with amendments,
 7 Article – Alcoholic Beverages
 8 Section ~~25–1201~~, 25–405, 25–1202, 25–1604, 25–1614, and 25–2004(c)
 9 Annotated Code of Maryland
 10 (2016 Volume and 2017 Supplement)

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

13 **Article – Alcoholic Beverages**

14 25–102.

15 This title applies only in Montgomery County.

16 25–405.

17 (a) This section applies to a Class 7 micro–brewery (on– and off–sale) license in
 18 the county.

19 (b) The license may be issued to the holder of:

20 (1) a Class B beer, wine, and liquor (on–sale) license that is issued for use
 21 on the premises of a restaurant located in the county;

22 (2) SUBJECT TO SUBSECTION (C) OF THIS SECTION, a Class D beer and
 23 wine license; or

24 (3) a Class H beer and wine license.

25 **(C) THE COMPTROLLER MAY NOT ISSUE MORE THAN AN AGGREGATE**
 26 **AMOUNT OF TWO CLASS 7 MICRO–BREWERY LICENSES TO HOLDERS OF CLASS D**
 27 **BEER AND WINE LICENSES IN THE TOWN OF KENSINGTON.**

28 **[(c)] (D)** A holder of the license shall enter into a written agreement with the
 29 Department of Liquor Control for the sale and resale of malt beverages brewed under the
 30 license.

31 **[(d)] (E)** (1) Subject to paragraphs (2), (3), and (4) of this subsection, the
 32 holder of a Class 7 micro–brewery license may:

1 (i) brew in two locations using the same Class 7 micro-brewery
2 license; and

3 (ii) obtain a Class 2 rectifying license for the premises at the two
4 locations authorized under item (i) of this paragraph.

5 (2) The holder of a Class 7 micro-brewery license may brew in two locations
6 using the same Class 7 micro-brewery license if the license holder:

7 (i) requests permission by submitting a written application to the
8 Comptroller; and

9 (ii) obtains written approval from the Comptroller.

10 (3) Before authorizing a holder of a Class 7 micro-brewery license to brew
11 in two locations using the same Class 7 micro-brewery license, the Comptroller shall:

12 (i) make a determination that a second location to brew additional
13 capacity is necessary due to insufficient space at the existing Class 7 license location; and

14 (ii) consider any other factor relevant to approval of the application.

15 (4) Notwithstanding any other provision of this article, a holder of a Class
16 7 micro-brewery license may not serve or sell malt beverages for on- or off-premises
17 consumption at the second brewing location authorized under this subsection.

18 ~~25-1201.~~

19 (a) (1) ~~There is a local caterer's license.~~

20 (2) ~~The license is a separate alcoholic beverages license.~~

21 (b) (1) ~~Subject to paragraph (2) of this subsection, the Board may issue the~~
22 ~~license to a person that:~~

23 (i) ~~EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS~~
24 ~~SUBSECTION, does not already hold a license issued by the Board;~~

25 (ii) ~~has facilities to prepare and deliver food to the site of a catered~~
26 ~~event; and~~

27 (iii) ~~meets all other requirements of this article.~~

28 (2) ~~THE BOARD MAY ISSUE THE LICENSE TO A PERSON THAT HOLDS~~
29 ~~A CLASS B BEER AND WINE LICENSE OR A CLASS B BEER, WINE, AND LIQUOR~~
30 ~~LICENSE IN KENSINGTON.~~

~~[(2)] (3) Before the Board issues or renews the license, the county health department shall approve the food preparation facilities for a catered event.~~

~~[(3)] (4) An applicant for or holder of the license is not required to have a banquet hall.~~

~~(e) The license authorizes a holder to:~~

~~(1) provide alcoholic beverages at an event that is held off the premises of the food preparation facilities; and~~

~~(2) exercise the privileges of the license only during the hours and on the days authorized for a Class B beer, wine, and liquor license.~~

~~(d) The license holder may not:~~

~~(1) hold an event that the license holder sponsors; or~~

~~(2) provide only alcoholic beverages at an event.~~

~~(e) The license holder shall:~~

~~(1) contract for and provide food for consumption at a catered event;~~

~~(2) meet the same ratio of gross receipts between food and alcoholic beverage sales as a holder of a Class B beer, wine, and liquor license; and~~

~~(3) purchase all alcoholic beverages from the Department of Liquor Control.~~

~~(f) The annual license fee is \$1,250.~~

25-1202.

(a) There is a catering extension.

(b) The Board may grant a catering extension to the holder of:

(1) a Class B restaurant or hotel (on-sale) beer, wine, and liquor license;

[and]

(2) a Class BD-BWL license; AND

(3) A CLASS B-K BEER, WINE, AND LIQUOR LICENSE.

(c) The catering extension authorizes a holder to:

1 (1) provide alcoholic beverages at an event that is held off the premises for
 2 which the holder's Class B restaurant or hotel (on-sale) beer, wine, and liquor license is
 3 issued; and

4 (2) exercise the privileges of the catering extension only during the hours
 5 and on the days authorized for:

6 (I) a Class B restaurant or hotel (on-sale) beer, wine, and liquor
 7 license;

8 (II) A CLASS BD-BWL LICENSE; OR

9 (III) A CLASS B-K BEER, WINE, AND LIQUOR LICENSE.

10 (d) The holder of a catering extension shall provide food for consumption at the
 11 catered event.

12 (e) This section does not require a holder of [a Class B restaurant or hotel
 13 (on-sale) beer, wine, and liquor license] THE FOLLOWING LICENSES to obtain a catering
 14 extension for catering on the premises for which the [Class B] license is issued:

15 (1) A CLASS B RESTAURANT OR HOTEL (ON-SALE) BEER, WINE, AND
 16 LIQUOR LICENSE;

17 (2) A CLASS BD-BWL LICENSE; AND

18 (3) A CLASS B-K BEER, WINE, AND LIQUOR LICENSE.

19 25-1604.

20 (a) This section applies only to Kensington.

21 (b) (1) The Board may issue:

22 (i) a 2-day on-sale beer and wine license or a 2-day on-sale beer,
 23 wine, and liquor license to a religious, fraternal, civic, or charitable organization holding
 24 an event on municipal property located at 3710 Mitchell Street; and

25 (ii) a B-K beer and wine license or a B-K beer, wine, and liquor
 26 license for use on the site of a restaurant in the following commercial areas:

27 1. the west side of Connecticut Avenue between Knowles
 28 Avenue and Perry Avenue;

- 1 2. the east side of Connecticut Avenue between Knowles
2 Avenue and Dupont Street and between University Boulevard and Perry Avenue;
- 3 3. the west side of University Boulevard West;
- 4 4. Dupont Avenue, west of Connecticut Avenue;
- 5 5. Plyers Mill Road, west of Metropolitan Avenue;
- 6 6. Summit Avenue between Knowles Avenue and Howard
7 Avenue;
- 8 7. Detrick Avenue between Knowles Avenue and Howard
9 Avenue;
- 10 8. the southwest side of Metropolitan Avenue between North
11 Kensington Parkway and Plyers Mill Road;
- 12 9. East Howard Avenue;
- 13 10. Armory Avenue between Howard Avenue and Knowles
14 Avenue;
- 15 11. Montgomery Avenue between Howard Avenue and
16 Kensington Parkway;
- 17 12. Kensington Parkway and Frederick Avenue, from
18 Montgomery Avenue to Silver Creek; or
- 19 13. the east side of Connecticut Avenue between Warner
20 Street and Knowles Avenue.

21 (2) A B–K beer, wine, and liquor license or a B–K beer and wine license
22 authorizes the holder to keep for sale and sell alcoholic beverages for on–premises
23 consumption.

24 (3) A license holder shall maintain average daily receipts from the sale of
25 food, not including carryout food, of at least ~~[50%]~~ **40%** of the overall average daily receipts.

26 (c) (1) The Board may issue:

27 (i) **IN AGGREGATE**, not more than ~~[three]~~ **FOUR** ~~Class A~~ **CLASS**
28 **A–K** (off–sale) beer and wine licenses, ~~CLASS D~~ **CLASS D–K BEER LICENSES**, AND
29 ~~CLASS D~~ **CLASS D–K BEER AND WINE LICENSES** for use in the commercial areas
30 specified in subsection (b)(1)(ii) of this section; and

1 (ii) subject to § 25–1306 of this title, not more than three beer and
2 wine tasting (BWT) licenses for holding tastings or samplings of beer and wine.

3 (2) A ~~Class A~~ **CLASS A–K** beer and wine license authorizes the holder to
4 keep for sale and sell beer or wine for off–premises consumption 7 days a week, from 10
5 a.m. to 8 p.m. daily.

6 (3) A holder of a ~~Class A~~ **CLASS A–K** beer and wine license, A ~~CLASS D~~
7 **CLASS D–K BEER LICENSE**, AND A ~~CLASS D~~ **CLASS D–K BEER AND WINE LICENSE**
8 may not[:

9 (i) sell single bottles or cans of beer;

10 (ii) sell refrigerated products; or

11 (iii)], on a side, door, or window of the building of the licensed
12 premises, place a sign or other display that advertises alcoholic beverages in a publicly
13 visible location.

14 (4) The annual license fee is \$250.

15 25–1614.

16 (a) Except as provided in § 25–1615 of this subtitle, the Board may not authorize
17 the same license holder to hold more than 10 licenses.

18 (b) The 10 licenses that may be held by the same license holder:

19 (1) may include:

20 (I) one or more Class H–BW licenses; AND

21 (II) ONE OR MORE CLASS B–K LICENSE; and

22 (2) may not include more than one Class BD–BWL license.

23 25–2004.

24 (c) (1) Except as provided in paragraph (2) of this subsection, a holder of a
25 Class B–K beer and wine license may sell beer and wine:

26 (i) on Monday through Saturday, from 9 a.m. to 1 a.m. the following
27 day; and

28 (ii) on Sunday, from 10 a.m. to 1 a.m. the following day.

1 (2) The license holder may not sell beer or wine after [11 p.m.] ~~12 A.M.~~
 2 MIDNIGHT if the licensed establishment is in a commercial area specified in §
 3 25-1604(b)(1)(ii)9 through 13 of this title.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 5 1, 2018.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.