

HOUSE BILL 177

A2

8lr0430

By: **Montgomery County Delegation**

Introduced and read first time: January 18, 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 – Alcoholic Beverages – Inspections, Food Sales**
3 **Requirements, and Hours and Days of Sale**

4 **MC 5–18**

5 FOR the purpose of repealing certain provisions of law requiring certain licensed premises
6 in Montgomery County to be inspected at least monthly during the initial license
7 year; repealing certain provisions of law that require a holder of a Class
8 BD–BWL or Class D beer, wine, and liquor license in Montgomery County to
9 maintain a certain ratio of gross receipts from the sale of food to gross receipts from
10 the sale of alcoholic beverages during certain hours on certain days; altering the
11 content of certain sworn statements of holders of certain licenses relating to the
12 availability of certain food during certain hours; requiring the Montgomery County
13 Board of License Commissioners to adopt certain regulations; repealing the
14 authority of the Board to revoke certain alcoholic beverages licenses under certain
15 circumstances; requiring the Board of License Commissioners for Montgomery
16 County to adopt regulations to require inspections of a premises for which the Board
17 issues a license at least quarterly during the initial license year and periodically
18 thereafter; exempting certain licensed premises from the inspection requirement;
19 altering the hours and days of sale of a holder of a Class BD–BWL license; making a
20 stylistic change; and generally relating to the sale of alcoholic beverages in
21 Montgomery County.

22 BY repealing and reenacting, without amendments,
23 Article – Alcoholic Beverages

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 Section 25–102 and 25–902(a)
2 Annotated Code of Maryland
3 (2016 Volume and 2017 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – Alcoholic Beverages
6 Section 25–902(d), 25–903, 25–906, and 25–2005(f) and (i)
7 Annotated Code of Maryland
8 (2016 Volume and 2017 Supplement)

9 BY adding to
10 Article – Alcoholic Beverages
11 Section 25–1611
12 Annotated Code of Maryland
13 (2016 Volume and 2017 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 25–102.

18 This title applies only in Montgomery County.

19 25–902.

20 (a) There is a Class B beer, wine, and liquor license.

21 (d) The Board shall adopt regulations to[:

22 (1) provide for:

23 (i) periodic inspection of the premises; and

24 (ii) PROVIDE FOR audits to determine the ratio of gross receipts
25 from the sale of food to gross receipts from the sale of beer, wine, and liquor[; and

26 (2) during the initial license year, require:

27 (i) at least monthly physical inspections of the premises; and

28 (ii) the license holder to submit to the Board monthly statements
29 showing gross receipts from the sale of food and gross receipts from the sale of beer, wine,
30 and liquor for the preceding month].

31 25–903.

1 (a) There is a Class BD–BWL license.

2 (b) The license authorizes the license holder to sell:

3 (1) beer and wine for on– or off–premises consumption; and

4 (2) liquor for on–premises consumption.

5 (c) As a prerequisite for the initial issuance of the license, the owner of the
6 establishment shall attest in a sworn statement that [gross receipts from food sales will be
7 at least equal to 40% of the gross receipts from the sale of food and alcoholic beverages:

8 (1) from 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday, Thursday,
9 Friday, and Saturday; and

10 (2) from 10 a.m. to 9 p.m. on Sunday] **FOOD WILL BE AVAILABLE FOR**
11 **SALE FOR ON–PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC**
12 **BEVERAGES ARE PERMITTED TO BE SERVED.**

13 (d) As a prerequisite for each renewal of the license, the owner of the
14 establishment shall attest in a sworn statement that [gross receipts from food sales for the
15 12–month period immediately preceding the application for renewal have been at least
16 equal to 40% of the gross receipts from the sale of food and alcoholic beverages:

17 (1) from 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday, Thursday,
18 Friday, and Saturday; and

19 (2) from 10 a.m. to 9 p.m. on Sunday] **FOOD WILL BE AVAILABLE FOR**
20 **SALE FOR ON–PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC**
21 **BEVERAGES ARE PERMITTED TO BE SERVED.**

22 (e) ~~(1) The Board by regulation shall provide for periodic inspection of the~~
23 ~~premises and [for audits to determine the ratio of gross receipts from the sale of food to~~
24 ~~gross receipts from the sale of alcoholic beverages]~~ **SPECIFY THE TYPE OF FOOD THAT IS**
25 **REQUIRED TO BE AVAILABLE FOR SALE FOR ON–PREMISES CONSUMPTION DURING**
26 **THE HOURS THAT ALCOHOLIC BEVERAGES ARE PERMITTED TO BE SERVED.**

27 ~~(2) Regulations adopted by the Board shall include a requirement of:~~

28 ~~(i) at least monthly physical inspections of the premises during the~~
29 ~~initial license year of any license holder]; and~~

30 ~~(ii) the submission by the license holder to the Board, during the~~
31 ~~initial license year, of monthly statements showing gross receipts from the sale of food and~~
32 ~~gross receipts from the sale of alcoholic beverages for the immediately preceding month.~~

~~(f) If a license holder during the initial license year fails to maintain the sales ratio requirement provided in this section for 3 consecutive months or, after the initial license year, for each license or calendar year, the Board may revoke the license.~~

~~(g) The Board may require a license holder to provide supporting data that the Board considers necessary to establish that the requirements of this section relating to the ratio of gross receipts from the sale of food to those from the sale of alcoholic beverages have been met.~~

[(h) (F)] A holder of a Class BD–BWL license:

(1) may also hold a Class 7 micro–brewery license issued for a location in the county; but

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

[(i)] On 7 days of the week, the hours of sale are:

(1) for on–premises consumption:

(i) from 9 a.m. to 2 a.m. the following day, on Monday, Tuesday, Wednesday, and Thursday;

(ii) from 9 a.m. to 3 a.m. the following day, on Friday and Saturday;

(iii) from 10 a.m. to 3 a.m. the following day, on Sunday when the following day has been designated by the federal government as one of the following holidays:

1. Washington’s Birthday;

2. Memorial Day;

3. Independence Day;

4. Labor Day;

5. Veterans Day; or

6. Christmas; or

(iv) from 10 a.m. to 2 a.m. the following day, on a Sunday that is not referenced in item (iii) of this paragraph; and

(2) for off–premises consumption, from 6 a.m. to 1 a.m. the following day.]

1 ~~(j)~~ (G) The annual license fee is \$3,500.

2 25-906.

3 (a) There is a Class D beer, wine, and liquor license.

4 (b) The Board may issue the license to an owner of an establishment if:

5 (1) before the issuance of the license, the owner attests in a sworn
6 statement that ~~[gross receipts from food sales will be at least equal to 40% of the gross~~
7 receipts from the sale of food and alcoholic beverages:

8 (i) from 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday,
9 Thursday, Friday, and Saturday; and

10 (ii) from 10 a.m. to 9 p.m. on Sunday] **FOOD WILL BE AVAILABLE**
11 **FOR SALE FOR ON-PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC**
12 **BEVERAGES ARE PERMITTED TO BE SERVED;** and

13 (2) before each renewal of the license, the owner attests in a sworn
14 statement that ~~[the gross receipts from food sales for the 12 months immediately before the~~
15 application for renewal have been at least equal to 40% of the gross receipts from the sale
16 of food and alcoholic beverages:

17 (i) from 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday,
18 Thursday, Friday, and Saturday; and

19 (ii) from 10 a.m. to 9 p.m. on Sunday] **FOOD WILL BE AVAILABLE**
20 **FOR SALE FOR ON-PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC**
21 **BEVERAGES ARE PERMITTED TO BE SERVED.**

22 (c) The license authorizes the license holder to sell beer, wine, and liquor for
23 on-premises consumption.

24 (d) The Board shall adopt regulations:

25 ~~(1) (i) to provide for:~~

26 ~~(i)] periodic inspection of the premises; and~~

27 ~~(ii) [audits to determine the ratios of gross receipts from the sale of~~
28 ~~food to gross receipts from the sale of alcoholic beverages]~~ **THAT SPECIFY THE TYPE OF**
29 **FOOD THAT IS REQUIRED TO BE AVAILABLE FOR SALE FOR ON-PREMISES**
30 **CONSUMPTION DURING THE HOURS THAT ALCOHOLIC BEVERAGES ARE PERMITTED**
31 **TO BE SERVED;** ~~and~~

~~(2) during the initial license year, to require:~~

~~(i) at least monthly physical inspections of the premises; and~~

~~(ii) the license holder to submit to the Board monthly statements showing gross receipts from the sale of food and gross receipts from the sale of alcoholic beverages for the preceding month.~~

~~(e) (1) The Board may revoke the license if the license holder fails to maintain the ratio of gross receipts from the sale of food to gross receipts from the sale of alcoholic beverages required under this section:~~

~~(i) during the initial license year, for 3 consecutive months; or~~

~~(ii) after the initial license year, for each license or calendar year.~~

~~(2) The Board may require the license holder to provide supporting data as the Board considers necessary to establish that the license holder has met the requirements of this section relating to the ratio of gross receipts from the sale of food to gross receipts from the sale of alcoholic beverages].~~

[(f)] (E) The annual license fee is \$3,000.

25-1611.

(A) THIS SECTION DOES NOT APPLY TO A PREMISES FOR WHICH THE BOARD ISSUES A LICENSE UNDER SUBTITLE 13 OF THIS TITLE.

(B) THE BOARD SHALL ADOPT REGULATIONS TO REQUIRE AT LEAST QUARTERLY INSPECTIONS OF A LICENSED PREMISES DURING THE INITIAL LICENSE YEAR AND PERIODIC INSPECTIONS THEREAFTER.

25-2005.

(f) A holder of a Class BD-BWL beer, wine, and liquor license may sell beer, wine, and liquor:

(1) for on-premises consumption[, on Monday through Sunday, from 10 a.m. to 2 a.m. the following day]:

(I) ON MONDAY THROUGH THURSDAY, FROM 9 A.M. TO 2 A.M. THE FOLLOWING DAY;

(II) ON FRIDAY AND SATURDAY, FROM 9 A.M. TO 3 A.M. THE FOLLOWING DAY; AND

1 (III) ON SUNDAY:

2 1. FROM 10 A.M. TO 2 A.M. THE FOLLOWING DAY; OR

3 2. FROM 10 A.M. TO 3 A.M. THE FOLLOWING DAY IF THE
4 FEDERAL GOVERNMENT HAS DESIGNATED THE FOLLOWING DAY A PUBLIC HOLIDAY;
5 and

6 (2) for off-premises consumption, on Monday through Sunday, from 6 a.m.
7 to 1 a.m. the following day.

8 (i) (1) Subject to paragraph (2) of this subsection, a holder of a Class D beer,
9 wine, and liquor license may sell beer, wine, and liquor:

10 (i) on Monday through Thursday, from 9 a.m. to 2 a.m. the following
11 day;

12 (ii) on Friday and Saturday, from 9 a.m. to 3 a.m. the following day;
13 and

14 (iii) on Sunday:

15 1. from 10 a.m. to 2 a.m. the following day; or

16 2. from 10 a.m. to 3 a.m. the following day if the federal
17 government has designated the following day as [Washington’s Birthday, Memorial Day,
18 Independence Day, Labor Day, or Christmas] A PUBLIC HOLIDAY.

19 (2) The license holder shall sell or make available food for on-premises
20 consumption during the hours that alcoholic beverages are permitted to be served.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2018.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.