

SENATE BILL 1068

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By: **Senator Patterson**

Introduced and read first time: February 28, 2020

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Fulfillment Warehouse Permit**

3 FOR the purpose of authorizing a direct wine shipper to sell wine to a consumer through a
4 holder of a fulfillment warehouse permit; establishing a fulfillment warehouse
5 permit that the Comptroller may issue; requiring a holder of a fulfillment warehouse
6 permit to verify certain information about a direct wine shipper before accepting a
7 certain shipment; prohibiting a holder of a fulfillment warehouse permit from
8 delivering wine, claiming ownership of certain goods, advertising certain goods, or
9 shipping certain goods on behalf of a retailer; establishing a fee for the permit;
10 requiring a permit holder to submit a certain report periodically to the Comptroller;
11 requiring a permit holder to maintain certain records in a certain manner for a
12 certain period; prohibiting a person without a fulfillment warehouse permit from
13 shipping wine on behalf of a direct wine shipper to a person in the State, subject to
14 a certain exception; requiring the Comptroller to adopt certain regulations; defining
15 a certain term; and generally relating to wine shipment and fulfillment warehouse
16 permits.

17 BY repealing and reenacting, with amendments,
18 Article – Alcoholic Beverages
19 Section 2–142 and 2–146
20 Annotated Code of Maryland
21 (2016 Volume and 2019 Supplement)

22 BY repealing and reenacting, without amendments,
23 Article – Alcoholic Beverages
24 Section 2–143, 2–153, and 2–154
25 Annotated Code of Maryland
26 (2016 Volume and 2019 Supplement)

27 BY adding to
28 Article – Alcoholic Beverages

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 2–155, 2–155.1, and 2–156
2 Annotated Code of Maryland
3 (2016 Volume and 2019 Supplement)

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

6 **Article – Alcoholic Beverages**

7 2–142.

8 (a) In this part the following words have the meanings indicated.

9 (b) (1) “Common carrier” means a business entity that:

10 (i) holds itself out as being available to the public to transport in
11 interstate or foreign commerce for compensation any class of passenger or property; and

12 (ii) holds a common carrier permit issued under § 2–151 of this
13 subtitle.

14 (2) “Common carrier” does not include a business entity that transports
15 only property the business entity owns or that is consigned to the business entity.

16 (c) “Direct wine shipper” means the holder of a direct wine shipper’s permit
17 issued under this part.

18 **(D) “FULFILLMENT WAREHOUSE” MEANS A BUSINESS ENTITY THAT:**

19 **(1) OPERATES A WAREHOUSE THAT PROVIDES STORAGE, PACKAGING,**
20 **AND SHIPPING SERVICES TO WINERIES; AND**

21 **(2) HOLDS A FULFILLMENT WAREHOUSE PERMIT ISSUED UNDER §**
22 **2–155 OF THIS SUBTITLE.**

23 2–143.

24 A person shall be issued a direct wine shipper’s permit by the Comptroller before the
25 person may engage in shipping wine directly to a consumer in the State.

26 2–146.

27 A direct wine shipper’s permit entitles the holder to sell wine manufactured by the
28 holder through a holder of a common carrier permit, **OR THROUGH A HOLDER OF A**
29 **FULFILLMENT WAREHOUSE PERMIT**, to a consumer by receiving and filling orders that
30 the consumer transmits by electronic or other means.

1 2-153.

2 A person without a direct wine shipper's permit may not ship wine directly to a
3 consumer in the State.

4 2-154.

5 Each violation of this part is a separate violation.

6 **2-155.**

7 **(A) THERE IS A FULFILLMENT WAREHOUSE PERMIT.**

8 **(B) A HOLDER OF A FULFILLMENT WAREHOUSE PERMIT MAY DELIVER WINE**
9 **THROUGH A COMMON CARRIER TO A CONSUMER IN THE STATE FOR THE**
10 **CONSUMER'S PERSONAL USE.**

11 **(C) A PERSON MAY NOT TRANSPORT WINE FROM A DIRECT WINE SHIPPER**
12 **TO A CONSUMER UNLESS THE PERSON IS A HOLDER OF A FULFILLMENT WAREHOUSE**
13 **PERMIT.**

14 **(D) THE TERM OF A FULFILLMENT WAREHOUSE PERMIT IS 1 YEAR AND**
15 **BEGINS ON JULY 1.**

16 **(E) A HOLDER OF A FULFILLMENT WAREHOUSE PERMIT MAY NOT ACCEPT**
17 **WINE FROM A DIRECT WINE SHIPPER WITHOUT VERIFYING THAT THE SHIPPER**
18 **HOLDS A VALID DIRECT WINE SHIPPER'S PERMIT.**

19 **(F) A HOLDER OF A FULFILLMENT WAREHOUSE PERMIT MAY NOT:**

20 **(1) DELIVER WINE IN THE STATE;**

21 **(2) CLAIM OWNERSHIP OF WINE THAT THE HOLDER STORES,**
22 **PACKAGES, OR SHIPS ON BEHALF OF A HOLDER OF A DIRECT WINE SHIPPER'S**
23 **PERMIT;**

24 **(3) MARKET OR ADVERTISE WINE THAT THE HOLDER STORES,**
25 **PACKAGES, OR SHIPS ON BEHALF OF A HOLDER OF A DIRECT WINE SHIPPER'S**
26 **PERMIT; OR**

27 **(4) SHIP ALCOHOLIC BEVERAGES ACROSS STATE BORDERS ON**
28 **BEHALF OF A RETAILER.**

1 **(G) THE PERMIT FEE IS \$100.**

2 **(H) (1) THE COMPTROLLER SHALL ADOPT REGULATIONS FOR A PERSON**
3 **OPERATING A FULFILLMENT WAREHOUSE TO APPLY FOR A FULFILLMENT**
4 **WAREHOUSE PERMIT.**

5 **(2) THE REGULATIONS SHALL INCLUDE REQUIREMENTS FOR A**
6 **FULFILLMENT WAREHOUSE TO:**

7 **(I) DEMONSTRATE THAT THE FULFILLMENT WAREHOUSE IS**
8 **APPROPRIATELY LICENSED FOR THE SERVICES TO BE PROVIDED BY THE**
9 **JURISDICTION WHERE ITS PLACE OF BUSINESS IS LOCATED;**

10 **(II) MAINTAIN AND SUBMIT RECORDS THE COMPTROLLER**
11 **REQUIRES; AND**

12 **(III) BECOME A DESIGNATED AGENT OF A DIRECT WINE SHIPPER**
13 **UNDER THIS PART.**

14 **2-155.1.**

15 **UNLESS THE PERSON IS A COMMON CARRIER UNDER THIS PART, A PERSON**
16 **WITHOUT A FULFILLMENT WAREHOUSE PERMIT MAY NOT SHIP WINE ON BEHALF OF**
17 **A DIRECT WINE SHIPPER TO A PERSON IN THE STATE.**

18 **2-156.**

19 **(A) EVERY 4 MONTHS, A HOLDER OF A FULFILLMENT WAREHOUSE PERMIT**
20 **SHALL SUBMIT TO THE COMPTROLLER A REPORT CONTAINING:**

21 **(1) THE DATE OF EACH SHIPMENT OF WINE INTO OR IN THE STATE;**
22 **AND**

23 **(2) THE NAME AND ADDRESS OF THE DIRECT WINE SHIPPER, THE**
24 **RECEIVING COMMON CARRIER, AND THE RECEIVING CONSUMER OF EACH**
25 **DELIVERY.**

26 **(B) FOR AT LEAST 3 YEARS, A HOLDER OF A FULFILLMENT WAREHOUSE**
27 **PERMIT SHALL MAINTAIN COMPLETE AND ACCURATE RECORDS OF EACH SHIPMENT**
28 **AND OTHER INFORMATION NECESSARY TO VERIFY COMPLIANCE WITH THIS PART.**

29 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July**
30 **1, 2020.**