

CF 6lr2447

By: Delegate Bozman

Introduced and read first time: February 2, 1996
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 21, 1996

CHAPTER ____

1 AN ACT concerning

2 **Alcoholic Beverages - Worcester County**
3 **(Beer Deliveries - Cash)**

4 FOR the purpose of ~~deleting Worcester County from those jurisdictions in which sales of~~
5 ~~beer to retail alcoholic beverages licensees must be in cash on delivery~~ establishing
6 that, in Worcester County, a wholesaler may sell beer to a retail dealer on credit
7 under certain circumstances; authorizing the wholesaler to establish different prices
8 for cash and credit transactions; prohibiting a wholesaler from intentionally
9 delivering beer to a retail dealer under certain circumstances; establishing a certain
10 penalty; prohibiting the Board of License Commissioners from transferring or
11 renewing an alcoholic beverages license of a retail dealer under certain
12 circumstances; prohibiting a retail dealer from obtaining beer on credit under
13 certain circumstances; requiring the State Comptroller to enforce the provisions of
14 this Act; providing for the termination of this Act; and generally relating to
15 alcoholic beverages in Worcester County.

16 BY repealing and reenacting, with amendments,
17 Article 2B - Alcoholic Beverages
18 Section 12-112
19 Annotated Code of Maryland
20 (1994 Replacement Volume and 1995 Supplement)

21 BY adding to
22 Article 2B - Alcoholic Beverages
23 Section 12-224.2
24 Annotated Code of Maryland
25 (1994 Replacement Volume and 1995 Supplement)

2

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

3 **Article 2B - Alcoholic Beverages**

4 12-112.

5 (a) This section applies only in the following jurisdictions:

- 6 (1) Baltimore City;
- 7 (2) Caroline;
- 8 (3) Cecil;
- 9 (4) Charles;
- 10 (5) Harford;
- 11 (6) Kent;
- 12 (7) Queen Anne's;
- 13 (8) St. Mary's;
- 14 (9) Somerset;
- 15 (10) Talbot; ~~AND~~
- 16 (11) Wicomico~~+~~; and
- 17 (12) Worcester~~+~~.

18 (b) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A
19 manufacturer or wholesaler may not sell any beer to any retail dealer except for cash on
20 delivery.

21 (C) (1) THIS SUBSECTION APPLIES ONLY IN WORCESTER COUNTY.

22 (2) SUBJECT TO THE CONDITIONS AND RESTRICTIONS PROVIDED
23 UNDER PARAGRAPHS (3), (4), AND (5) OF THIS SUBSECTION, A WHOLESALER MAY
24 SELL BEER ON CREDIT TO A RETAIL DEALER WHO HAS BEEN DOING BUSINESS FOR
25 AT LEAST 2 YEARS.

26 (3) A WHOLESALER WHO EXTENDS CREDIT UNDER THIS SUBSECTION
27 MAY ESTABLISH DIFFERENT PRICES FOR CASH AND CREDIT TRANSACTIONS.

28 (4) A TERM OF CREDIT EXTENDED UNDER THIS SUBSECTION MAY NOT
29 EXCEED 10 DAYS, WITH NO GRACE PERIOD.

30 (5) (I) A WHOLESALER MAY NOT INTENTIONALLY DELIVER BEER TO
31 A RETAIL DEALER TO WHOM ANY WHOLESALER HAS EXTENDED CREDIT UNDER
32 THIS SUBSECTION AND WHO FAILS TO PAY THE BALANCE OWED OR MAKES A
33 PAYMENT ON THE DEBT BY BAD CHECK.

1 (II) A WHOLESALER WHO VIOLATES THIS PARAGRAPH IS SUBJECT
2 TO A FINE NOT EXCEEDING \$1,000 FOR EACH SUCH DELIVERY.

3 (6) THE BOARD OF LICENSE COMMISSIONERS MAY NOT TRANSFER OR
4 RENEW THE ALCOHOLIC BEVERAGES LICENSE OF A RETAIL DEALER WHO HAS BEEN
5 EXTENDED CREDIT UNDER THIS SUBSECTION AND WHO OWES A BALANCE ON THE
6 DEBT AT THE TIME OF THE TRANSFER OR RENEWAL.

7 (7) A RETAIL DEALER WHO FAILS TO SATISFY A DEBT ON CREDIT
8 EXTENDED UNDER THIS SUBSECTION ON THREE SEPARATE OCCASIONS WITHIN A
9 SINGLE CALENDAR YEAR MAY NOT OBTAIN BEER ON CREDIT FOR A PERIOD OF 2
10 YEARS FROM THE TIME OF THE THIRD OCCURRENCE.

11 (8) THE STATE COMPTROLLER SHALL ENFORCE THE PROVISIONS OF
12 THIS SUBSECTION.

13 (⇌) (D) A suit or action ex contractu to enforce or collect any claim for credit
14 extended in violation of this section may not be maintained in this State.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 1996. It shall remain effective for a period of two years and, at the end of
17 September 30, 1998, with no further action required by the General Assembly, this Act
18 shall be abrogated and of no further force and effect.