Unofficial Copy 1997 Regular Session A2 7lr0614

By: Worcester County Delegation Introduced and read first time: February 12, 1997 Assigned to: Economic Matters Committee Report: Favorable with amendments House action: Adopted Read second time: March 31, 1997 CHAPTER ____ 1 AN ACT concerning 2 **Worcester County - Alcoholic Beverages** 3 (Liquor Dispensary System and Licenses) 4 FOR the purpose of terminating the Liquor Control Board and the Dispensary System in Worcester County; correcting and establishing certain license fees; imposing certain 5 6 conditions, restrictions, and requirements on the Board of License Commissioners 7 and the Liquor Control Board; providing for a transition; specifying certain 8 personnel and personnel-related matters; submitting parts of this Act to a 9 referendum of the legally qualified voters of Worcester County; providing for the 10 termination of portions of this Act; and generally relating to alcoholic beverages in 11 Worcester County. 12 BY repealing and reenacting, with amendments, 13 Article 2B - Alcoholic Beverages 14 Section 3-101(y), 3-201(y), 3-301(y), 3-401(y), 5-101(y), 5-201(y), 5-301(y), 15 5-401(y), 6-101(y), 6-201(y)(2), 6-301(y)(2), 6-401(y)(2)(ii) and (iii), 9-102(j)(2)(i) and (3)(i), 15-112(s), 15-201(i)(2), 15-202(c)(1), 15-203(a)(3), 16 and 15-210 17 Annotated Code of Maryland 18 19 (1996 Replacement Volume) 20 BY repealing and reenacting, with amendments, 21 Article 2B - Alcoholic Beverages 22 Section 6-201(y)(2), 6-203(c), 6-301(y)(2), and 6-401(y)(2)(ii) and (iii) 23 Annotated Code of Maryland 24 (1996 Replacement Volume)

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(As enacted by Section 1 of this Act)

1	DV . 11'
	BY adding to
2	Article 2B - Alcoholic Beverages
3 4	Section 6-203, 9-102(j)(7), and 15-201(l)
	Annotated Code of Maryland
5	(1996 Replacement Volume)
6	BY repealing
7	Article 2B - Alcoholic Beverages
8	Section 6-201(y)(7), 6-301(y)(8), 6-401(y)(2)(vi), 15-201(e)(2)(iv) <u>15-201(d)(5)</u> ,
9	(e)(2)(iv), and (h)(7), 15-202(b)(2)(iv) and (c)(3), 15-203(f), 15-205(l), and
10	15-207(h)
11	Annotated Code of Maryland
12	(1996 Replacement Volume)
13	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
	MARYLAND, That the Laws of Maryland read as follows:
15	Article 2B - Alcoholic Beverages
16	3-101.
17	(y) (1) This subsection applies in Worcester County.
10	
18	(2) The annual 6 day license fee is [\$175] \$225.
19	(3) The annual 7 day license fee is [\$200] \$250.
20	(4) The hours for sale are as provided in § 11-524 of this article.
21	3-201.
22	(y) (1) This subsection applies in Worcester County.
23	(2) The annual six day license fee is [\$250] \$275.
24 25	(3) The annual seven day license fee, applied countywide (exclusive of the tenth election district), is $[\$300]$ $\$350$.
26	(4) The annual seven day license fee, for the tenth election district only, is
27	[\$300] \$350.
28	(5) The hours for sale are as provided in § 11-524.
29	3-301.
30	(y) (1) In Worcester County the annual license fee is [\$125] \$150.
31	(2) The hours for sale shall be as provided in § 11-524 of this article.
32	3-401.
33	(y) (1) This subsection applies in Worcester County.
34	(2) The six-day annual license fee is [\$250] \$325.

3 1 (3) The seven-day annual license fee, applied countywide, is [\$275] \$450. 2 (4) The hours for sale are as provided in § 11-524. 3 5-101. (y) (1) This subsection applies only in Worcester County. (2) The annual license fee for a six day license is [\$200] \$250. 5 (3) The annual license fee for a seven day license, applied countywide is 7 [\$275] \$300. 8 5-201. 9 (y) (1) This subsection applies only in Worcester County. 10 (2) The annual license fee for a 6 day license is [\$250] \$300. (3) The annual license fee for a 7 day license, applied countywide (exclusive 11 12 of tenth election district) is [\$350] \$400. (4) The annual license fee for a 7 day license, tenth election district only is 13 14 [\$350] \$400. 15 5-301. 16 (y) (1) In Worcester County the annual license fee is [\$150] \$200. 17 (2) The hours for sale shall be as provided in § 11-524 of this article. 18 5-401. 19 (y) (1) This subsection applies only in Worcester County. 20 (2) The annual 6-day license fee is [\$250] \$350. 21 (3) The annual 7-day license fee, applied countywide, is [\$300] \$500. 22 (4) The hours for sale are as provided in § 11-524 of this article. 23 6-201. 24 (y) (2) The annual license fees for the following types of licenses are: 25 (i) Six-day licenses - [\$1,250] \$1,750; and 26 (ii) Seven-day licenses - [\$1,500] \$2,500. 27 6-203. 28 (A) THIS SECTION APPLIES ONLY IN WORCESTER COUNTY. 29 (B) (1) A CLASS H BEER, WINE AND LIQUOR LICENSE SHALL BE ISSUED BY

30 THE LICENSE ISSUING AUTHORITY OF THE COUNTY IN WHICH THE PLACE OF 31 BUSINESS IS LOCATED. THE LICENSE AUTHORIZES THE HOLDER TO KEEP FOR SALE 32 AND TO SELL BEER, WINE AND LIQUOR AT RETAIL AT ANY HOTEL OR RESTAURANT,

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4
 1 AT THE PLACE DESCRIBED IN THE LICENSE, FOR CONSUMPTION ONLY ON THE
 2 PREMISES.
                  (2) THE ANNUAL FEE SHALL BE PAID TO THE LOCAL COLLECTING
 3
 4 AGENT BEFORE ANY LICENSE IS ISSUED, FOR DISTRIBUTION AS PROVIDED IN THIS
 5 ARTICLE.
           (C) THE ANNUAL LICENSE FEE IS:
 6
                  (1) 6-DAY LICENSE.....$1,700; OR
 7
 8
                  (2) 7-DAY LICENSE.....$2,400.
 9 6-301.
 10
           (y) (2) (I) The annual license fee FOR A SIX-DAY LICENSE is [$250] $500;
 11 AND
 12
                         (II) THE ANNUAL LICENSE FEE FOR A SEVEN-DAY LICENSE IS $750.
 13 6-401.
 14
           (y) (2) (ii) The annual license fee for the six-day license is [$1,300] $3,000.
                         (iii) The annual license fee for the seven-day license is [$1,625] $3,500.
 15
 16 9-102.
 17
           (j) (2) (i) Notwithstanding any other provisions of this section, the holder of
 18 a Class B, (on-sale -- hotels and restaurants) beer, wine and liquor license [or], Class B,
 19 (on-sale -- hotels and restaurants) beer and light wine license, OR CLASS H (ON-SALE
 20 ONLY -- HOTELS AND RESTAURANTS) BEER, WINE AND LIQUOR LICENSE under this
 21 article, by making application in the regular manner and paying the usual fee may obtain
 22 additional Class B, (on-sale -- hotels and restaurants) beer, wine and liquor [or], Class
 23 B, (on-sale -- hotels and restaurants) beer and light wine, OR CLASS H (ON-SALE ONLY
 24 -- HOTELS AND RESTAURANTS) BEER, WINE AND LIQUOR license for premises used
 25 and occupied as a bona fide restaurant, as may be defined by the [rules and] regulations
 26 of the Board of License Commissioners.
 27
                  (3) (i) Notwithstanding any other provisions of this section, the holder of
 28 a Class B, (on-sale -- hotels and restaurants) beer, wine and liquor license [or], Class B,
 29 (on-sale -- hotels and restaurants) beer and light wine license, OR CLASS H (ON-SALE
 30 ONLY -- HOTELS AND RESTAURANTS) BEER, WINE AND LIQUOR LICENSE under this
 31 article, by making application in the regular manner and paying the usual fee may obtain
 32 additional Class B, (on-sale -- hotels and restaurants), beer, wine and liquor or Class B
 33 (on-sale -- hotels and restaurants), beer and light wine, OR CLASS H (ON-SALE ONLY --
 34 HOTELS AND RESTAURANTS) BEER, WINE AND LIQUOR licenses for premises used and
 35 operated as public hotel-restaurant or motel-restaurant complexes.
 36 15-112.
           (s) (1) [No County Commissioner of Worcester County shall receive any
 38 additional compensation for serving on the Board.] THIS SUBSECTION APPLIES ONLY IN
 39 WORCESTER COUNTY.
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	(2) (i) [In Worcester County the] THE Board [of License Commissioners], with the consent of the County Commissioners, may appoint an inspector.
4 5	(ii) 1. The salary of the inspector shall be as provided in the County budget.
	2. The duties of the inspector shall be as specified by the Board [of License Commissioners], including the proper administration and enforcement of the alcoholic beverages laws in Worcester County.
9 10	(iii) For the purpose of the alcoholic beverages laws, the inspector shall have all the powers of a peace officer or sheriff of this State.
11 12	(iv) The inspector shall make an oath to perform the duties entrusted, as provided in Article I, § 9, of the Constitution of Maryland.
13	15-201.
14	(L) (1) THIS SUBSECTION APPLIES ONLY IN WORCESTER COUNTY.
17 18	(2) THE BOARD SHALL PRESENT ITS BUDGET ANNUALLY TO THE COUNTY COMMISSIONERS ON THE SAME DAY THAT THE COUNTY COMMISSIONERS PRESENT THE BUDGET FOR THE COUNTY. THE BOARD SHALL BE PRESENT AT THAT MEETING SO AS TO BE ABLE TO ANSWER ANY QUESTIONS THAT THE COUNTY COMMISSIONERS OR THE PUBLIC MIGHT HAVE.
22	(3) IN ADDITION TO REGULAR AND SYSTEMATIC AUDITING OF ITS BOOKS AND RECORDS BY A PRIVATE AUDITING COMPANY, THE BOOKS AND RECORDS FOR THE BOARD SHALL BE AUDITED ON A REGULAR AND SYSTEMATIC SCHEDULE BY THE LEGISLATIVE AUDITOR.
26	(4) (3) THE BOARD SHALL ADHERE TO COUNTY PERSONNEL PRACTICES. BY WAY OF ILLUSTRATION, THE BOARD SHALL ADVERTISE FOR VACANT POSITIONS AND SELECT THE MOST QUALIFIED PERSON AND SHALL AFFORD AN EMPLOYEE ALL COUNTY TERMINATION RIGHTS.
	(5) (4) THE LIQUOR CONTROL BOARD MAY NOT EXPEND ANY FUNDS IN AN ATTEMPT TO INFLUENCE THE REFERENDUM TO BE HELD IN NOVEMBER, 1998, THAT IS REQUIRED BY STATE STATUTE.
31 32	SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:
33	Article 2B - Alcoholic Beverages
34	6-101.
35 36	(y) (1) This [section does not apply] SUBSECTION APPLIES ONLY in Worcester County.
37 38	(2) (I) AS OF MAY 1, $\frac{2000}{1999}$, THE ANNUAL LICENSE FEE CONSISTS OF TWO PARTS:

1	1. A BASIC FEE OF \$5,000; AND
2	2. A GALLONAGE FEE OF \$3.12 PER GALLON.
3	(II) 1. THE GALLONAGE FEE IS CALCULATED ONLY ON SALES OF SPIRITUOUS LIQUORS.
7 8 9 10	2. BY MARCH 1 EACH YEAR, EACH WHOLESALE DEALER IN SPIRITUOUS LIQUORS SHALL REPORT TO THE BOARD OF LICENSE COMMISSIONERS THE NUMBER OF GALLONS OF SPIRITUOUS LIQUORS THE DEALER SOLD DURING THE PRECEDING CALENDAR YEAR TO EACH HOLDER OF A CLASS A BEER, WINE AND LIQUOR LICENSE. THE BOARD SHALL USE THAT AMOUNT IN CALCULATING THE GALLONAGE FEE SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH FOR THE NEXT ENSUING LICENSE YEAR, WHICH BEGINS ON MAY 1.
14 15 16 17	(3) IF A LICENSEE UNDER THIS SECTION IS LOCATED WITHIN THE BOUNDARIES OF A MUNICIPAL CORPORATION, HALF OF THE GALLONAGE FEE SHALL BE REMITTED ANNUALLY TO THAT MUNICIPAL CORPORATION; THE REMAINING HALF SHALL BE DEPOSITED IN THE GENERAL FUNDS OF THE COUNTY. IF A LICENSEE IS NOT LOCATED IN A MUNICIPAL CORPORATION, BOTH THE BASIC AND GALLONAGE FEES SHALL BE DEPOSITED IN THE GENERAL FUNDS OF THE COUNTY. AN ADDITIONAL LICENSE FEE AS FOLLOWS:
19	A. TAX DISTRICT 1 (POCOMOKE CITY): \$30,000;
20	B. TAX DISTRICT 2 (SNOW HILL): \$21,000;
21	C. TAX DISTRICT 3 (BERLIN): \$30,000;
22 23	<u>D. TAX DISTRICT 3A (OCEAN PINES), AS DEFINED IN PARAGRAPH (5) OF THIS SUBSECTION: \$30,000;</u>
24	E. TAX DISTRICT 10 (OCEAN CITY): \$35,000; AND
25	F. AT LARGE: \$35,000.
26 27	(II) AS OF MAY 1, 2002, THE ADDITIONAL FEE SHALL BE REDUCED BY 20% EACH YEAR.
28 29	(III) LICENSE FEES UNDER THIS SUBSECTION SHALL BE PAYED AS FOLLOWS:
30 31	$\underline{\text{1. THE BASIC FEES SHALL BE DEPOSITED IN THE GENERAL}}\\ \underline{\text{FUNDS OF THE COUNTY; AND}}$
34	2. A. FOR EACH ADDITIONAL FEE DESCRIBED IN PARAGRAPH (2)(I) OF THIS SUBSECTION, HALF OF EACH FEE SHALL BE REMITTED TO THE MUNICIPAL CORPORATION IN WHICH THE LICENSEE IS LOCATED AND THE OTHER HALF SHALL BE DEPOSITED IN THE GENERAL FUNDS OF THE COUNTY.
	B. IF THE LICENSEE IS NOT LOCATED WITHIN A MUNICIPAL CORPORATION, BOTH THE BASIC AND THE ADDITIONAL FEE SHALL BE DEPOSITED IN THE GENERAL FUNDS OF THE COUNTY.

7	
1	(4) (3) THE BOARD MAY ISSUE TEN LICENSES, AS FOLLOWS:
2	(I) TAX DISTRICT 1 (POCOMOKE CITY)1
3	(II) TAX DISTRICT 2 (SNOW HILL)1
4	(III) TAX DISTRICT 3 (BERLIN)1
5 6	(IV) TAX DISTRICT 3A (OCEAN PINES) (AS SPECIFIED IN PARAGRAPH (5) BELOW)1
7	(V) TAX DISTRICT 10 (OCEAN CITY)4
8	(VI) LOCATED AT THE DISCRETION OF THE BOARD AND SUBJECT TO THE APPROVAL OF THE COUNTY COMMISSIONERS
12 13 14	(5) (4) FOR PURPOSES OF THIS ARTICLE ONLY, TAX DISTRICT 3A IS DEFINED AS ALL OF TAX DISTRICT 3A PLUS THAT LAND THAT IS WITHIN 2,000 FEET TO THE WEST SIDE OF MARYLAND RT. 589, WHICH LIES WITHIN TAX DISTRICT 3 BUT WHICH IS INCLUDED WITHIN THIS TAX DISTRICT FOR LICENSURE PURPOSES. THE 2,000-FOOT AREA SHALL BEGIN AT RT. 113 ON THE NORTH AND END AT RT. 50 ON THE SOUTH.
16	5 6-201.
17 18	(y) (2) (I) The annual license fees for the following types of licenses CONSIST OF TWO PARTS [are]:
19 20	[(i)] 1. A. [Six-day licenses] A SIX-DAY BASIC LICENSE \$1,750; 0 [and] OR
21 22	[(ii)] B. [Seven-day licenses] A SEVEN-DAY BASIC LICENSE 2 \$2,500; AND
23	2. A GALLONAGE FEE OF \$3.12 PER GALLON.
24 25	(II) 1. THE GALLONAGE FEE IS CALCULATED ONLY ON SALES OF SPIRITUOUS LIQUORS.
28 29 30 31	2. BY MARCH 1 EACH YEAR, EACH WHOLESALE DEALER IN SPIRITUOUS LIQUORS SHALL REPORT TO THE BOARD OF LICENSE COMMISSIONERS THE NUMBER OF GALLONS OF SPIRITUOUS LIQUORS THE DEALER SOLD DURING THE PRECEDING CALENDAR YEAR TO EACH HOLDER OF A CLASS B BEER, WINE AND LIQUOR LICENSE. THE BOARD SHALL USE THAT AMOUNT IN CALCULATING THE GALLONAGE FEE SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH FOR THE NEXT ENSUING LICENSE YEAR, WHICH BEGINS ON MAY 1.
35 36	A. AS OF MAY 1, 1999, AN ADDITIONAL FEE THAT IS BASED ON THE TOTAL DOLLAR AMOUNT OF WHOLESALE PURCHASES OF SPIRITUOUS LIQUORS BY THE LICENSEE FROM THE BOARD OF LICENSE COMMISSIONERS IN THE LICENSE YEAR ENDING APRIL 30, 1999, IN ACCORDANCE WITH THE FOLLOWING FEE SCHEDULE:

1 BEGIN-TABLE;c=02:004:041 2 <Tr01 >AMOUNT OF PURCHASES $3 \leq Tc02 > FEE$ 4 <Tr01 >\$1 - \$2,000 5 < Tc02 > \$756 <Tr01 >\$2,001 - \$5,000 7 < Tc02 > \$2508 <Tr01 >\$5,001 - \$10,000 9 <Tc02 >\$675 10 <Tr01 >FOR EACH ADDITIONAL \$5,000 UP TO \$100,000 AN ADDITIONAL \$450 11 <Tr01 >\$100,001 - \$150,000 12 <Tc02 >\$11,800 13 <Tr01 >\$150,001 - \$200,000 14 <Tc02 >\$15,800 15 < Tr01 > FOR EACH ADDITIONAL \$50,000 UP TO \$1,000,000 AN ADDITIONAL \$4,000 16 <Tr01 >\$1,000,001 OR GREATER 17 <Tc02 >\$83,800 18 END-TABLE 19 B. AS OF MAY 1, 2001, AN ADDITIONAL FEE THAT IS BASED 20 ON THE TOTAL DOLLAR AMOUNT OF WHOLESALE PURCHASES OF SPIRITUOUS 21 LIQUORS BY THE LICENSEE FROM WHOLESALE DEALERS IN THE PRECEDING 22 CALENDAR YEAR, IN ACCORDANCE WITH THE FEE SCHEDULE UNDER 23 <u>SUB-SUB-SUBPARAGRAPH A OF THIS SUB-SUBPARAGRAPH.</u> C. IF A LICENSEE IS IN THE FIRST YEAR OF OPERATION, THE 25 ADDITIONAL LICENSE FEE PROVIDED IN THE FEE SCHEDULE SHALL BE BASED ON: 26 I. AS OF MAY 1, 1999, THE TOTAL DOLLAR AMOUNT OF 27 WHOLESALE PURCHASES OF SPIRITUOUS LIQUORS BY ALL LICENSEES OF THE SAME 28 CLASS WITHIN THE COUNTY FROM THE BOARD OF LICENSE COMMISSIONERS IN THE 29 YEAR ENDING APRIL 1, 1999, DIVIDED BY THE TOTAL NUMBER OF SUCH LICENSEES; 30 AND 31 II. AS OF MAY 1, 2001, THE TOTAL DOLLAR AMOUNT OF 32 WHOLESALE PURCHASES OF SPIRITUOUS LIQUORS BY ALL LICENSEES OF THE SAME 33 CLASS WITHIN THE COUNTY FROM WHOLESALE DEALERS IN THE PRECEDING 34 CALENDAR YEAR, DIVIDED BY THE TOTAL NUMBER OF SUCH LICENSEES. 35 D. AS OF MAY 1, 2002, THE ADDITIONAL FEE SHALL BE 36 REDUCED BY 20% EACH YEAR. 37 (II) FOR PURPOSES OF DETERMINING THE AMOUNT OF 38 WHOLESALE PURCHASES DESCRIBED IN PARAGRAPH (2)(I)2B AND C OF THIS 39 SUBSECTION, EACH WHOLESALE DEALER IN SPIRITUOUS LIQUORS SHALL REPORT 40 TO THE BOARD OF LICENSE COMMISSIONERS BY MARCH 1 OF EACH YEAR THE 41 TOTAL DOLLAR AMOUNT OF SPIRITUOUS LIQUORS THE DEALER SOLD DURING THE 42 PRECEDING CALENDAR YEAR TO EACH LICENSEE. 43 [(7) All licensees shall purchase all wines and liquors, except light wine and 44 beer, from the Liquor Control Board for Worcester County. They shall be charged 85 45 percent of the retail price or any special sale price or discount price, whichever is lower, 46 set by the Board for wines and liquors. However, the price the Board charges to the 47 licensees may not be lower than 10 percent above the cost the Liquor Control Board must

48 pay for the merchandise to wholesalers. All licensees may purchase beer and light wine

49 from licensed wholesalers.1

HOUSE BILL 1208 9 1 6-203. 2 (c) (1) [The] THERE ARE TWO PARTS TO THE annual license fee [is]: 3 [(1)] (I) 1. A 6-day BASIC license.....\$1,700; or 4 [(2)] 2. A 7-day BASIC license.....\$2,400; AND 5 (II) A GALLONAGE FEE OF \$3.12 PER GALLON. (2) (I) THE GALLONAGE FEE IS CALCULATED ONLY ON SALES OF 7 SPIRITUOUS LIQUORS. (II) BY MARCH 1 EACH YEAR, EACH WHOLESALE DEALER IN 9 SPIRITUOUS LIQUORS SHALL REPORT TO THE BOARD OF LICENSE COMMISSIONERS 10 THE NUMBER OF GALLONS OF SPIRITUOUS LIQUORS THE DEALER SOLD DURING 11 THE PRECEDING CALENDAR YEAR TO EACH HOLDER OF A CLASS H BEER, WINE AND 12 LIQUOR LICENSE. THE BOARD SHALL USE THAT AMOUNT IN CALCULATING THE 13 GALLONAGE FEE SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION FOR THE NEXT 14 ENSUING LICENSE YEAR, WHICH BEGINS ON MAY 1. 1. AS OF MAY 1, 1999, AN ADDITIONAL FEE THAT IS BASED 15 16 ON THE TOTAL DOLLAR AMOUNT OF WHOLESALE PURCHASES OF SPIRITUOUS 17 LIQUORS BY THE LICENSEE FROM THE BOARD OF LICENSE COMMISSIONERS IN THE 18 LICENSE YEAR ENDING APRIL 30, 1999, IN ACCORDANCE WITH THE FOLLOWING FEE 19 SCHEDULE: 20 <u>BEGIN-TABLE;c=02:004:041</u> 21 <Tr01 >AMOUNT OF PURCHASES 22 <Tc02 >FEE 23 <Tr01 >\$1 - \$2,000 24 <Tc02 >\$75 25 <Tr01 >\$2,001 - \$5,000 26 <Tc02 >\$250 27 <Tr01 >\$5,001 - \$10,000 28 <Tc02 >\$675 29 <Tr01 >FOR EACH ADDITIONAL \$5,000 UP TO \$100,000 AN ADDITIONAL \$450 30 <Tr01 >\$100,001 - \$150,000 31 <Tc02 >\$11,800 32 <Tr01 >\$150,001 - \$200,000 33 <Tc02 >\$15,800 34 <Tro1 > FOR EACH ADDITIONAL \$50,000 UP TO \$1,000,000 AN ADDITIONAL \$4,000 35 <Tr01 >\$1,000,001 OR GREATER 36 <Tc02 >\$83,800 37 END-TABLE 2. AS OF MAY 1, 2001, AN ADDITIONAL FEE THAT IS BASED 38 39 ON THE TOTAL DOLLAR AMOUNT OF WHOLESALE PURCHASES OF SPIRITUOUS 40 <u>LIQUORS BY THE LICENSEE FROM WHOLESALE DEALERS IN THE PRECEDING</u> 41 CALENDAR YEAR, IN ACCORDANCE WITH THE FEE SCHEDULE UNDER 42 <u>SUB-SUBPARAGRAPH 1 OF THIS SUBPARAGRAPH.</u> 3. IF A LICENSEE IS IN THE FIRST YEAR OF OPERATION, THE 43 44 ADDITIONAL LICENSE FEE PROVIDED IN THE FEE SCHEDULE SHALL BE BASED ON:

46 WHOLESALE PURCHASES OF SPIRITUOUS LIQUORS BY ALL LICENSEES OF THE SAME
 47 CLASS WITHIN THE COUNTY FROM THE BOARD OF LICENSE COMMISSIONERS IN THE

45

A. AS OF MAY 1, 1999, THE TOTAL DOLLAR AMOUNT OF

 $45 \leq Tc02 >$

	YEAR ENDING APRIL 1, 1999, DIVIDED BY THE TOTAL NUMBER OF SUCH LICENSEES; AND
5	B. AS OF MAY 1, 2001, THE TOTAL DOLLAR AMOUNT OF WHOLESALE PURCHASES OF SPIRITUOUS LIQUORS BY ALL LICENSEES OF THE SAME CLASS WITHIN THE COUNTY FROM WHOLESALE DEALERS IN THE PRECEDING CALENDAR YEAR, DIVIDED BY THE TOTAL NUMBER OF SUCH LICENSEES.
7 8	4. AS OF MAY 1, 2002, THE ADDITIONAL FEE SHALL BE REDUCED BY 20% EACH YEAR.
11 12 13	(2) FOR PURPOSES OF DETERMINING THE AMOUNT OF WHOLESALE PURCHASES DESCRIBED IN PARAGRAPH (1)(II)2 AND 3 OF THIS SUBSECTION, EACH WHOLESALE DEALER IN SPIRITUOUS LIQUORS SHALL REPORT TO THE BOARD OF LICENSE COMMISSIONERS BY MARCH 1 OF EACH YEAR THE TOTAL DOLLAR AMOUNT OF SPIRITUOUS LIQUORS THE DEALER SOLD DURING THE PRECEDING CALENDAR YEAR TO EACH LICENSEE.
15	6-301.
16 17	(y) (2) (i) The annual license fee [for a six-day license is] CONSISTS OF TWO PARTS:
18	1. A. A SIX-DAY BASIC LICENSE OF \$500; [and
19	(ii) The annual license fee for a seven-day] OR
20	B. A SEVEN-DAY BASIC license [is] OF \$750; AND
21	2. A GALLONAGE FEE OF \$3.12 PER GALLON.
22 23	(II) 1. THE GALLONAGE FEE IS CALCULATED ONLY ON SALES OF SPIRITUOUS LIQUORS.
26 27 28 29	2. BY MARCH 1 EACH YEAR, EACH WHOLESALE DEALER IN SPIRITUOUS LIQUORS SHALL REPORT TO THE BOARD OF LICENSE COMMISSIONERS THE NUMBER OF GALLONS OF SPIRITUOUS LIQUORS THE DEALER SOLD DURING THE PRECEDING CALENDAR YEAR TO EACH HOLDER OF A CLASS A BEER, WINE AND LIQUOR LICENSE. THE BOARD SHALL USE THAT AMOUNT IN CALCULATING THE GALLONAGE FEE SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH FOR THE NEXT ENSUING LICENSE YEAR, WHICH BEGINS ON MAY 1.
33 34	A. AS OF MAY 1, 1999, AN ADDITIONAL FEE THAT IS BASED ON THE TOTAL DOLLAR AMOUNT OF WHOLESALE PURCHASES OF SPIRITUOUS LIQUORS BY THE LICENSEE FROM THE BOARD OF LICENSE COMMISSIONERS IN THE LICENSE YEAR ENDING APRIL 30, 1999, IN ACCORDANCE WITH THE FOLLOWING FEE
36 37 38 39	<u>SCHEDULE:</u> <u>BEGIN-TABLE;c=02:004:041</u> <u><tr01> AMOUNT OF PURCHASES</tr01></u> <u><tc02> FEE</tc02></u> <u><tr01> \$1 - \$2,000</tr01></u>
41 42	<tc02>\$75 <tr01>\$2,001 - \$5,000 <tc02>\$250 <tr01>\$5,001 - \$10,000</tr01></tc02></tr01></tc02>
	<tc02>\$675</tc02>

11 1 <Tr01 >FOR EACH ADDITIONAL \$5,000 UP TO \$100,000 AN ADDITIONAL \$450 2 <Tr01 >\$100,001 - \$150,000 3 <Tc02 >\$11,800 4 <Tr01 >\$150,001 - \$200,000 5 <Tc02 >\$15,800 6 <Tr01 >FOR EACH ADDITIONAL \$50,000 UP TO \$1,000,000 AN ADDITIONAL \$4,000 7 <Tr01 >\$1,000,001 OR GREATER 8 <Tc02 >\$83,800 9 END-TABLE 10 B. AS OF MAY 1, 2001, AN ADDITIONAL FEE THAT IS BASED 11 ON THE TOTAL DOLLAR AMOUNT OF WHOLESALE PURCHASES OF SPIRITUOUS 12 LIQUORS BY THE LICENSEE FROM WHOLESALE DEALERS IN THE PRECEDING 13 CALENDAR YEAR, IN ACCORDANCE WITH THE FEE SCHEDULE UNDER 14 SUB-SUB-SUBPARAGRAPH A OF THIS SUB-SUBPARAGRAPH. 15 BEGIN-TABLE;c=02:004:041 16 <Tr01 >AMOUNT OF PURCHASES 17 <Tc02 >FEE 18 <Tr01 >\$1 - \$2,000 19 <Tc02 >\$45 20 <Tr01 >\$2,001 - \$5,000 21 <Tc02 >\$150 22 <Tr01 >\$5,001 - \$10,000 23 <Tc02 >\$405 24 <Tr01 >FOR EACH ADDITIONAL \$5,000 UP TO \$100,000 AN ADDITIONAL \$270 25 <Tr01 >\$100,001 - \$150,000 26 < Tc02 > \$7,08027 <Tr01 >\$150,001 - \$200,000 28 <Tc02 >\$9,480 29 <Tr01 >FOR EACH ADDITIONAL \$50,000 UP TO \$1,000,000 AN ADDITIONAL \$2,400 30 <Tr01 >\$1,000,001 OR GREATER 31 <Tc02 >\$50,280 32 END-TABLE C. IF A LICENSEE IS IN THE FIRST YEAR OF OPERATION, THE 33 34 ADDITIONAL LICENSE FEE PROVIDED IN THE FEE SCHEDULE SHALL BE BASED ON: I. AS OF MAY 1, 1999, THE TOTAL DOLLAR AMOUNT OF 35 36 WHOLESALE PURCHASES OF SPIRITUOUS LIQUORS BY ALL LICENSEES OF THE SAME 37 CLASS WITHIN THE COUNTY FROM THE BOARD OF LICENSE COMMISSIONERS IN THE 38 YEAR ENDING APRIL 1, 1999, DIVIDED BY THE TOTAL NUMBER OF SUCH LICENSEES; 39 <u>AND</u> II. AS OF MAY 1, 2001, THE TOTAL DOLLAR AMOUNT OF 40 41 WHOLESALE PURCHASES OF SPIRITUOUS LIQUORS BY ALL LICENSEES OF THE SAME 42 CLASS WITHIN THE COUNTY FROM WHOLESALE DEALERS IN THE PRECEDING 43 CALENDAR YEAR, DIVIDED BY THE TOTAL NUMBER OF SUCH LICENSEES. D. AS OF MAY 1, 2002, THE ADDITIONAL FEE SHALL BE 45 REDUCED BY 20% EACH YEAR. (II) FOR PURPOSES OF DETERMINING THE AMOUNT OF 46 47 WHOLESALE PURCHASES DESCRIBED IN PARAGRAPH (2)(I)2B AND C OF THIS 48 SUBSECTION, EACH WHOLESALE DEALER IN SPIRITUOUS LIQUORS SHALL REPORT

49 TO THE BOARD OF LICENSE COMMISSIONERS BY MARCH 1 OF EACH YEAR THE 50 TOTAL DOLLAR AMOUNT OF SPIRITUOUS LIQUORS THE DEALER SOLD DURING THE

51 PRECEDING CALENDAR YEAR TO EACH LICENSEE.

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[(8) Every licensee shall purchase all wines and liquors, except light wine and
2 beer, sold by them from the Worcester County Liquor Control Board dispensaries. The
3 licensee shall receive a 15 percent discount from the retail sales price or any special sale
4 price or discount price, whichever is lower. However, the price the Board charges to the
5 licensees may not be lower than 10 percent above the cost the Liquor Control Board must
6 pay for the merchandise to wholesalers. All licensees may purchase beer and light wine
7 from licensed wholesalers.]
8 6-401.
9
          (y) (2) (ii) The annual license fee [for the] CONSISTS OF TWO PARTS:
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                             1. A. A six-day BASIC license [is] OF $3,000; OR
11
                      [(iii)] B. [The annual license fee for the] A seven-day BASIC license
12 [is] OF $3,500; AND
13
                             2. A GALLONAGE FEE OF $3.12 PER GALLON.
14
                      (III) 1. THE GALLONAGE FEE IS CALCULATED ONLY ON SALES
15 OF SPIRITUOUS LIQUORS.
                             2. BY MARCH 1 EACH YEAR, EACH WHOLESALE DEALER IN
16
17 SPIRITUOUS LIQUORS SHALL REPORT TO THE BOARD OF LICENSE COMMISSIONERS
18 THE NUMBER OF GALLONS OF SPIRITUOUS LIQUORS THE DEALER SOLD DURING
19 THE PRECEDING CALENDAR YEAR TO EACH HOLDER OF A CLASS D BEER, WINE AND
20 LIQUOR LICENSE. THE BOARD SHALL USE THAT AMOUNT IN CALCULATING THE
21 GALLONAGE FEE SPECIFIED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH FOR THE
22 NEXT ENSUING LICENSE YEAR, WHICH BEGINS ON MAY 1.
23
                             A. AS OF MAY 1, 1999, AN ADDITIONAL FEE THAT IS BASED
24 ON THE TOTAL DOLLAR AMOUNT OF WHOLESALE PURCHASES OF SPIRITUOUS
25 LIQUORS BY THE LICENSEE FROM THE BOARD OF LICENSE COMMISSIONERS IN THE
26 LICENSE YEAR ENDING APRIL 30, 1999, IN ACCORDANCE WITH THE FOLLOWING FEE
27 SCHEDULE:
28 BEGIN-TABLE;c=02:004:041
29 <Tr01 >AMOUNT OF PURCHASES
30 <Tc02 >FEE
31 <Tr01 >$1 - $2,000
32 <Tc02 >$75
33 <Tr01 >$2,001 - $5,000
34 <Tc02 >$250
35 <Tr01 >$5,001 - $10,000
36 <Tc02 >$675
37 <Tr01 >FOR EACH ADDITIONAL $5,000 UP TO $100,000 AN ADDITIONAL $450
38 <Tr01 >$100,001 - $150,000
39 <Tc02 >$11,800
40 <Tr01 >$150,001 - $200,000
41 <Tc02 >$15,800
42 <Tr01 >FOR EACH ADDITIONAL $50,000 UP TO $1,000,000 AN ADDITIONAL $4,000
43 <Tr01 >$1,000,001 OR GREATER
44 <Tc02 >$83,800
45 END-TABLE
                             B. AS OF MAY 1, 2001, AN ADDITIONAL FEE THAT IS BASED
46
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47 ON THE TOTAL DOLLAR AMOUNT OF WHOLESALE PURCHASES OF SPIRITUOUS
48 LIQUORS BY THE LICENSEE FROM WHOLESALE DEALERS IN THE PRECEDING

	CALENDAR YEAR, IN ACCORDANCE WITH THE FEE SCHEDULE UNDER SUB-SUB-SUBPARAGRAPH A OF THIS SUB-SUBPARAGRAPH.
3	C. IF A LICENSEE IS IN THE FIRST YEAR OF OPERATION, THE ADDITIONAL LICENSE FEE PROVIDED IN THE FEE SCHEDULE SHALL BE BASED ON:
8	I. AS OF MAY 1, 1999, THE TOTAL DOLLAR AMOUNT OF WHOLESALE PURCHASES OF SPIRITUOUS LIQUORS BY ALL LICENSEES OF THE SAME CLASS WITHIN THE COUNTY FROM THE BOARD OF LICENSE COMMISSIONERS IN THE YEAR ENDING APRIL 1, 1999, DIVIDED BY THE TOTAL NUMBER OF SUCH LICENSEES; AND
10 11 12 13	
14 15	D. AS OF MAY 1, 2002, THE ADDITIONAL FEE SHALL BE REDUCED BY 20% EACH YEAR.
16 17 18 19 20 21	(III) FOR PURPOSES OF DETERMINING THE AMOUNT OF WHOLESALE PURCHASES DESCRIBED IN PARAGRAPH (2)(I)2B AND C OF THIS SUBSECTION, EACH WHOLESALE DEALER IN SPIRITUOUS LIQUORS SHALL REPORT TO THE BOARD OF LICENSE COMMISSIONERS BY MARCH 1 OF EACH YEAR THE TOTAL DOLLAR AMOUNT OF SPIRITUOUS LIQUORS THE DEALER SOLD DURING THE PRECEDING CALENDAR YEAR TO EACH LICENSEE.
24 25 26 27	[(vi) All licensees shall purchase all wines and liquors, except light wine and beer, from the Liquor Control Board for Worcester County. They shall be charged 85 percent of the retail price or any special sale price or discount price, whichever is lower, set by the Board for wines and liquors. However, the price the Board charges to the licensees may not be lower than 10 percent above the cost the Liquor Board must pay for the merchandise to wholesalers. All licensees may purchase beer and light wine from licensed wholesalers.]
29	9-102.
	(j) (7) SUBSECTION (A) OF THIS SECTION, WHICH LIMITS A PERSON TO A MAXIMUM OF ONLY ONE LICENSE, APPLIES TO CLASS A BEER, WINE AND LIQUOR LICENSES.
33	15-201.
34 35	(d) In computing the time at which appointments to the several boards normally expire, and when new terms of office begin, the following dates shall be used:
36 37	[(5) Worcester County June 1, 1975. Initial appointments shall be two, three and four years. Their successors shall be appointed to regular four-year terms.]
38 39	(e) (2) Members of the boards in the following counties shall serve for terms as specified:
40	[(iv) Worcester County 4 years]

1	(h) Members of the several boards shall receive compensation as follows:
	[(7) Worcester CountyThe Worcester County Liquor Control Board shall receive the salary set by the Worcester County Commissioners, but which may not be less than \$2,500, and a mileage fee when attending meetings of the Board.]
5 6	(i) (2) In [Worcester County they shall meet at least once each week; in] Somerset County they shall meet at least twice each month.
7	15-202.
8 9	(b) (2) The aggregate sum advanced to or borrowed by the liquor control board may not exceed the following amounts:
10	[(iv) Worcester County - \$500,000].
11 12	(c) (1) The interest rate limitation provided in paragraph (2) of this subsection does not apply in the following jurisdictions:
13	(i) Harford County; AND
14	(ii) Somerset County[; and
15	(iii) Worcester County].
16 17	[(3) In Worcester County, any borrowed funds expended for the use of supplies or equipment are to be amortized over a term of five years.]
18	15-203.
19 20	(a) (3) In [the following counties] SOMERSET COUNTY they may sell any alcoholic beverages except beer[:
21	(i) Somerset; and
22	(ii) Worcester].
25	[(f) In Worcester County the County liquor dispensaries may be established and maintained only at Pocomoke City, Snow Hill, Berlin and Ocean City, and in any rural areas that may be approved by the Liquor Control Board and the County Commissioners of Worcester County.]
27	15-205.
30	[(1) In Worcester County, in addition to the other powers listed in this section, the Board shall pay the salary, not to exceed \$3,500 annually, of an officer to enforce the laws relating to alcoholic beverages in the County. The officer shall be appointed by the County Commissioners subject to the approval by State's Attorney of the County.]
32	15-207.
33	[(h) (1) This subsection applies only in Worcester County.
34 35	(2) All net profits arising from the operation of these dispensaries are first applied towards the payment of any and all sums advanced to or borrowed by the Liquor

36 Control Board. After these sums are paid, the Board is authorized to create and maintain

- 1 a reserve fund not to exceed \$300,000 on June 1, 1995. The reserve fund is maintained to
- 2 provide adequate working capital and to meet any losses that may be sustained by the
- 3 Board in the operation of these dispensaries.
- 4 (3) Fifty percent of all net profits in excess of the reserve fund shall be paid
- 5 to the County Commissioners of Worcester County on or before June 1 each year. The
- 6 remaining 50 percent shall be paid on or before June 1 each year to the mayors and city
- 7 councils of Berlin, Ocean City, Pocomoke City, and Snow Hill in proportion to the net
- 8 profits on total sales of the dispensaries situated in each of these municipalities. For
- 9 purposes of calculating the municipalities' share and if the County Commissioners
- 10 consent to it for each municipality, a radius of 2 miles outside of the municipal boundaries
- 11 shall be considered as being within the corporate limits. In the rural areas outside of the
- 12 2-mile radius of those municipalities, the net profits shall go to the general funds of
- 13 Worcester County.
- 14 (4) The amounts paid to the mayors and city councils of Berlin, Ocean City,
- 15 Pocomoke City, and Snow Hill shall be used for general municipal purposes.]
- 16 15-210.
- 17 This subtitle [shall apply to] APPLIES ONLY IN Garrett, Harford, KENT,
- 18 Montgomery, [Kent,] Somerset, AND Wicomico [and Worcester] Counties.
- 19 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
- 20 read as follows:
- 21 Article 2B Alcoholic Beverages
- 22 15-201.
- 23 (L) (6) UPON PASSAGE OF THE REFERENDUM IN NOVEMBER 1998, THE
- 24 LIQUOR CONTROL BOARD SHALL DEVELOP A WRITTEN PLAN BY MARCH 1, 1999, FOR
- 25 THE DISPOSAL OF ITS ASSETS, AND SUBMIT THE PLAN TO THE COUNTY
- 26 COMMISSIONERS BY THAT DATE. THE PLAN SHALL SHOW BOTH THE CESSATION OF
- 27 ALCOHOLIC BEVERAGES SALES AND THE COMPLETE CESSATION OF ACTIVITIES BY
- 28 THE BOARD AS OF JUNE 30, 1999, WITH ALL ASSETS DISPOSED OF BY THAT DATE. THE
- 29 BOARD SHALL IMPLEMENT THE PLAN AND THE PROCEEDS SHALL ACCRUE TO THE
- 30 GENERAL FUNDS OF THE COUNTY.
- 31 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland
- 32 read as follows:
- 33 Article 2B Alcoholic Beverages
- 34 15-201.
- 35 (L) (7) FOR RETIRED EMPLOYEES OF THE BOARD, THE COUNTY OFFICE OF
- 36 PERSONNEL SHALL ABSORB AND ASSUME RESPONSIBILITY FOR THE HEALTH
- 37 ACCOUNTS AND ANY OTHER PERSONNEL-RELATED FUNCTIONS WHICH CONTINUE
- 38 AFTER THE CESSATION OF ACTIVITIES OF THE BOARD.

1 (8) THE COUNTY SHALL GIVE PREFERENTIAL CONSIDERATION IN THE 2 HIRING OF EMPLOYEES OF THE LIQUOR CONTROL BOARD WHOSE EMPLOYMENT 3 WITH THE BOARD WAS TERMINATED BY OPERATION OF LAW.
SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:
6 Article 2B - Alcoholic Beverages
7 6-101.
8 (y) (6) CLASS A BEER, WINE AND LIQUOR LICENSEES MAY NOT OPEN FOR 9 BUSINESS UNTIL MAY 1, 1999.
10 (7) ON OR BEFORE MAY 1, 1999, THE CLASS A BEER, WINE AND LIQUOR 11 LICENSEES SHALL PAY THE LICENSE FEES FOR THE FIRST YEAR OF OPERATION OF 12 THE CLASS A BEER, WINE AND LIQUOR LICENSES. THOSE FEES FOR THAT ONE YEAR 13 ONLY ARE AS FOLLOWS:
14 (I) A BASIC LICENSE FEE OF \$5,000; AND
15 (II) ADDITIONAL LICENSE FEES IN EACH TAX DISTRICT:
16 1. TAX DISTRICT 1 (POCOMOKE CITY): \$30,000;
17 2. TAX DISTRICT 2 (SNOW HILL): \$21,000;
18 3. TAX DISTRICT 3 (BERLIN): \$30,000;
19 4. TAX DISTRICT 3A (OCEAN PINES), AS DEFINED IN 20 PARAGRAPH (5) OF THIS SUBSECTION: \$30,000;
21 5. TAX DISTRICT 10 (OCEAN CITY): \$35,000; AND
22 6. AT LARGE: \$35,000.
SECTION 6: 5. AND BE IT FURTHER ENACTED, That before Sections 2, 3, 4, and 5 and 4 of this Act become effective they shall first be submitted to a referendum of the legally qualified voters of Worcester County at the general election to be held in November of 1998. The cost of the special election, if any, shall be paid by the County Commissioners. The County Commissioners and the Worcester County Board of Supervisors of Elections shall do those things necessary and proper to provide for and hold the referendum required by this section. If a majority of the votes cast on the question are "For the referred law" the provisions of Section 2 of this Act shall become effective on May 1, 1999, and the provisions of Sections 3, 4, and 5 and 4 of this Act shall become effective on January 1, 1999; but if a majority of the votes cast on the question are "Against the referred law" the provisions of Sections 2, 3, 4, and 5 and 4 of this Act are of no effect and null and void.
35 SECTION 7. 6. AND BE IT FURTHER ENACTED, That, should Sections 2, 3, 4, 36 and 5 and 4 of this Act be approved by the qualified voters of Worcester County at the 37 referendum for which provision is made by Section 6.5 of this Act, the provisions of 38 Section 3 of this Act shall become operable and in full force and effect on January 1.

- 1 1999, and shall remain in effect until July 1, 1999, after which the provisions shall be null 2 and void without the necessity of further action by the General Assembly.
- 3 SECTION 8. AND BE IT FURTHER ENACTED, That, should Sections 2, 3, 4,
- 4 and 5 of this Act be approved by the qualified voters of Worcester County at the
- 5 referendum for which provision is made by Section 6 of this Act, the provisions of Section
- 6 5 of this Act shall become operable and in full force and effect on January 1, 1999, and
- 7 shall remain in effect until April 30, 2000, after which the provisions shall be null and void
- 8 without the necessity of further action by the General Assembly.
- 9 SECTION 9. 7. AND BE IT FURTHER ENACTED, That, subject to the
- 10 provisions of Section 65 of this Act and for the sole purpose of providing for the
- 11 referendum required by Section 6 5, this Act shall take effect October 1, 1997.