Unofficial Copy A2 1998 Regular Session 8lr1209

By: **Delegates Bozman, Conway, and McClenahan**Introduced and read first time: February 4, 1998

Assigned to: Economic Matters

## A BILL ENTITLED

1	A TAT		•
1	AIN	$A( \cdot )$	concerning
	7 11 1	1101	concerning

## 2 Worcester County - Alcoholic Beverages - Retail Dealers - Credit

- 3 FOR the purpose of adding a restriction on retail dealers to whom a wholesaler may
- 4 intentionally deliver beer on credit; authorizing a retail dealer to request a
- 5 certain hearing within a certain amount of time after being listed on the
- Worcester County beer credit control list; requiring the State Comptroller to
- 7 remove from the list a retail dealer who requests a hearing; requiring the State
- 8 Comptroller to adopt regulations necessary to administer this Act; repealing the
- 9 termination date of provisions that prohibit beer wholesalers in Worcester
- 10 County from providing credit to certain retail dealers; and generally relating to
- allowing retail dealers in Worcester County to buy beer on credit.
- 12 BY repealing and reenacting, with amendments,
- 13 Article 2B Alcoholic Beverages
- 14 Section 12-112
- 15 Annotated Code of Maryland
- 16 (1996 Replacement Volume and 1997 Supplement)
- 17 BY repealing and reenacting, with amendments,
- 18 Chapter 507 of the Acts of the General Assembly of 1996
- 19 Section 2
- 20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 21 MARYLAND, That the Laws of Maryland read as follows:
- 22 Article 2B Alcoholic Beverages
- 23 12-112.
- 24 (a) This section applies only in the following jurisdictions:
- 25 (1) Baltimore City;
- 26 (2) Caroline;

1		(3)	Cecil;	
2		(4)	Charles;	
3		(5)	Dorchester;	
4		(6)	Frederick;	
5		(7)	Garrett;	
6		(8)	Harford;	
7		(9)	Kent;	
8		(10)	Prince George's;	
9		(11)	Queen Anne's;	
10		(12)	St. Mary's;	
11		(13)	Somerset;	
12		(14)	Talbot;	
13		(15)	Washington;	
14		(16)	Wicomico; and	
15		(17)	Worcester.	
16 (b) Except as provided in subsection (c) of this section, a manufacturer or 17 wholesaler may not sell any beer to any retail dealer except for cash on delivery.				
18	(c)	(1)	This subsection applies only in Worcester County.	
			Subject to the conditions and restrictions provided under paragraphs is subsection, a wholesaler may sell beer on credit to a retail doing business for at least 2 years.	
22 23	different pri	(3) ces for ca	A wholesaler who extends credit under this subsection may establish ash and credit transactions.	
24 25	days, with n	(4) no grace p	A term of credit extended under this subsection may not exceed 10 period.	
	dealer to wh		(i) A wholesaler may not intentionally deliver beer to a retail wholesaler has extended credit under this subsection [and who] EALER:	
29 30	debt by bad	[check.]	1. fails to pay the balance owed or makes a payment on the CHECK; AND	

## **HOUSE BILL 483**

	2. IS CURRENTLY LISTED ON THE WORCESTER COUNTY BEER CREDIT CONTROL LIST IN ACCORDANCE WITH REGULATIONS ISSUED BY THE COMPTROLLER.
4 5	(ii) A wholesaler who violates this paragraph is subject to a fine not exceeding \$1,000 for each such delivery.
	(6) The Board of License Commissioners may not transfer or renew the alcoholic beverages license of a retail dealer who has been extended credit under this subsection and who owes a balance on the debt at the time of the transfer or renewal.
	(7) A retail dealer who fails to satisfy a debt on credit extended under this subsection on three separate occasions within a single calendar year may not obtain beer on credit for a period of 2 years from the time of the third occurrence.
14	(8) (I) A RETAIL DEALER MAY REQUEST A HEARING WITH THE STATE COMPTROLLER WITHIN 10 DAYS AFTER BEING LISTED ON THE WORCESTER COUNTY BEER CREDIT CONTROL LIST FOR FAILURE TO COMPLY WITH THE PROVISIONS OF THIS SUBSECTION.
	(II) THE STATE COMPTROLLER SHALL REMOVE IMMEDIATELY FROM THE WORCESTER COUNTY BEER CREDIT CONTROL LIST A RETAIL DEALER WHO REQUESTS A HEARING, PENDING THE DISPOSITION OF THE HEARING.
19 20	[(8)] (9) The State Comptroller shall enforce the provisions of this subsection AND SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBSECTION.
21 22	(d) A suit or action ex contractu to enforce or collect any claim for credit extended in violation of this section may not be maintained in this State.
23	Chapter 507 of the Acts of 1996
26	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1996. [It shall remain effective for a period of two years and, at the end of September 30, 1998, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.]
28 29	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1998.