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

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 18, 1998

CHAPTER _____

1 AN ACT 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
6 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
11 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:

Article 2B - Alcoholic Beverages

12-112.

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

(1) Baltimore City;

(2) Caroline;

(3) Cecil;

(4) Charles;

(5) Dorchester;

(6) Frederick;

(7) Garrett;

(8) Harford;

(9) Kent;

(10) Prince George's;

(11) Queen Anne's;

(12) St. Mary's;

(13) Somerset;

(14) Talbot;

(15) Washington;

(16) Wicomico; and

(17) Worcester.

(b) Except as provided in subsection (c) of this section, a manufacturer or wholesaler may not sell any beer to any retail dealer except for cash on delivery.

(c) (1) This subsection applies only in Worcester County.

(2) Subject to the conditions and restrictions provided under paragraphs (3), (4), and (5) of this subsection, a wholesaler may sell beer on credit to a retail dealer who has been doing business for at least 2 years.

(3) A wholesaler who extends credit under this subsection may establish different prices for cash and credit transactions.

1 (4) A term of credit extended under this subsection may not exceed 10
2 days, with no grace period.

3 (5) (i) A wholesaler may not intentionally deliver beer to a retail
4 dealer to whom any wholesaler has extended credit under this subsection [and who]
5 IF THE RETAIL DEALER:

6 1. fails to pay the balance owed or makes a payment on the
7 debt by bad [check.] CHECK; AND

8 2. IS CURRENTLY LISTED ON THE WORCESTER COUNTY
9 BEER CREDIT CONTROL LIST IN ACCORDANCE WITH REGULATIONS ISSUED BY THE
10 COMPTROLLER.

11 (ii) A wholesaler who violates this paragraph is subject to a fine not
12 exceeding \$1,000 for each such delivery.

13 (6) The Board of License Commissioners may not transfer or renew the
14 alcoholic beverages license of a retail dealer who has been extended credit under this
15 subsection and who owes a balance on the debt at the time of the transfer or renewal.

16 (7) A retail dealer who fails to satisfy a debt on credit extended under
17 this subsection on three separate occasions within a single calendar year may not
18 obtain beer on credit for a period of 2 years from the time of the third occurrence.

19 (8) (I) A RETAIL DEALER MAY REQUEST A HEARING WITH THE STATE
20 COMPTROLLER WITHIN 10 DAYS AFTER BEING LISTED ON THE WORCESTER COUNTY
21 BEER CREDIT CONTROL LIST FOR FAILURE TO COMPLY WITH THE PROVISIONS OF
22 THIS SUBSECTION.

23 (II) THE STATE COMPTROLLER SHALL REMOVE IMMEDIATELY
24 FROM THE WORCESTER COUNTY BEER CREDIT CONTROL LIST A RETAIL DEALER
25 WHO REQUESTS A HEARING, PENDING THE DISPOSITION OF THE HEARING.

26 [(8)] (9) The State Comptroller shall enforce the provisions of this
27 subsection AND SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBSECTION.

28 (d) A suit or action ex contractu to enforce or collect any claim for credit
29 extended in violation of this section may not be maintained in this State.

30 **Chapter 507 of the Acts of 1996**

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

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 ~~October~~ July 1, 1998.

