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By: **Delegate Love**

Introduced and read first time: February 13, 1998

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 23, 1998

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Alcoholic Beverages - Permits and Licenses**

3 FOR the purpose of prohibiting a ~~Board of License Commissioners~~ the Office of the  
4 Comptroller from issuing a certain alcoholic beverages permit to a licensed  
5 wholesaler, licensed retailer, or a person with a certain interest in a licensed  
6 wholesaler or licensed retailer; repealing a provision allowing a holder of a  
7 wholesale license to obtain a certain retail license under certain conditions;  
8 providing for the application of this Act; and generally relating to the alcoholic  
9 beverages permits and licenses in the State.

10 BY repealing and reenacting, with amendments,  
11 Article 2B - Alcoholic Beverages  
12 Section 2-101(i)  
13 Annotated Code of Maryland  
14 (1996 Replacement Volume and 1997 Supplement)

15 BY repealing and reenacting, without amendments,  
16 Article 2B - Alcoholic Beverages  
17 Section 9-102(a)  
18 Annotated Code of Maryland  
19 (1996 Replacement Volume and 1997 Supplement)

20 BY repealing  
21 Article 2B - Alcoholic Beverages  
22 Section 9-102(b)  
23 Annotated Code of Maryland

1 (1996 Replacement Volume and 1997 Supplement)

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

4 **Article 2B - Alcoholic Beverages**

5 2-101.

6 (i) (1) A nonresident dealer's permit, for the purpose of selling beer, wine, or  
7 distilled spirits to Maryland licensees authorized to receive those beverages, may be  
8 issued only to:

9 (i) A brewer, distiller, rectifier, bottler, manufacturer, vintner, or  
10 winery; ~~or~~

11 (ii) A sales agent of one of those under subparagraph (i) of this  
12 paragraph, provided proof of that agency is presented to the Office of the Comptroller;  
13 ~~or~~

14 (iii) An importer of beer, wine, or distilled beverages produced  
15 outside the United States who purchases directly from the brand owner or from a  
16 sales agent of a brewer, distiller, rectifier, bottler, manufacturer, vintner, or winery,  
17 who is authorized by the brand owner to sell in Maryland, and who has provided proof  
18 of this sales agency relationship to the Office of the Comptroller; or

19 (iv) An American sales agent of an importer under subparagraph  
20 (iii) of this paragraph, provided proof of that agency is presented to the Office of the  
21 Comptroller.

22 (2) A NONRESIDENT DEALER'S PERMIT MAY NOT BE ISSUED TO A  
23 PERSON WHO:

24 (I) HOLDS A WHOLESALER OR RETAILER LICENSE OF ANY CLASS  
25 ISSUED UNDER THIS ARTICLE;

26 ~~(II) HAS AN INTEREST, OTHER THAN A DISCLOSED SECURITY~~  
27 ~~INTEREST, IN A WHOLESALER LICENSED UNDER THIS ARTICLE; OR~~

28 (II) HAS AN INTEREST IN A WHOLESALER LICENSED UNDER THIS  
29 ARTICLE, OTHER THAN A DISCLOSED LEGAL, EQUITY, OR SECURITY INTEREST OF A  
30 MALT BEVERAGE WHOLESALER; OR

31 (III) HAS AN INTEREST IN A RETAILER LICENSED UNDER THIS  
32 ARTICLE.

33 (3) A holder of a nonresident dealer's permit may sell, consign, or deliver,  
34 from a location outside Maryland, to persons in Maryland who are authorized to  
35 receive them, only those beers, wines, or distilled spirits which it distills, rectifies,  
36 bottles, manufactures, produces, imports from outside the United States, or

1 represents as the designated sales agent. The brewer, distiller, rectifier, bottler,  
2 manufacturer, vintner, winery, importer and their designated agent may not  
3 discriminate directly or indirectly in price between Maryland licensees.

4           [(3)]   (4)   Notwithstanding any other provision of this section, any brand  
5 of beer presently being sold, consigned, or delivered in Maryland by the holder of a  
6 nonresident dealer's permit from a location outside Maryland to persons in Maryland  
7 who are authorized to receive it under this article may continue to be sold, consigned,  
8 or delivered until such time as the brewer, the importer, or designated sales agent of  
9 the brewer or the importer of that brand of beer preempts the sales territory by  
10 appointing a franchisee as provided in §§ 17-101 through 17-107, inclusive, the Beer  
11 Franchise Fair Dealing Act, of this article.

12           [(4)]   (5)   Notwithstanding any other provision of this section, a  
13 nonresident dealer's permit is not required to make direct sales and shipments to a  
14 wholesaler within this State from a location outside the continental limits and  
15 possessions of the United States.

16           [(5)]   (6)   Notwithstanding any other provision of this section, in  
17 Montgomery County the alcohol beverage purchasing power shall be as described in §  
18 15-205(k) of this article.

19 9-102.

20   (a)   No more than one license provided by this article, except by way of renewal  
21 or as otherwise provided in this section, shall be issued in any county or Baltimore  
22 City, to any person, or for the use of any partnership, corporation, unincorporated  
23 association, or limited liability company, in Baltimore City or any county of the State,  
24 and no more than one license shall be issued for the same premises except as provided  
25 in §§ 2-201 through 2-208 and 2-301 and nothing herein shall be construed to apply  
26 to subsections (b) and (c) of § 7-101 or to § 12-202 (pertaining to special music or  
27 dancing licenses for Anne Arundel County) of this article.

28   [(b)   The holder of any wholesale license may, upon application, as herein above  
29 provided, apply for and obtain a beer, wine and liquor license, Class A, for a separate  
30 place of business from that designated in the wholesaler's license, but where the same  
31 person is the holder of both a wholesale and a Class A, beer, wine and liquor license,  
32 separate books of account shall be kept for each place of business, and the respective  
33 licenses shall otherwise be subjected to all of the provisions of this article.]

34   SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding the  
35 provisions of this Act, a person holding a nonresident dealer permit and a wholesale  
36 license as of January 1, 1998, shall remain eligible to renew each respective permit or  
37 license, as long as separate books of accounts are kept for each place of business.

38   SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
39 October 1, 1998.

