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By: **Senators Fry, Craig, and Collins**  
Introduced and read first time: February 23, 1998  
Assigned to: Rules

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A BILL ENTITLED

1 AN ACT concerning

2 **Harford County - Alcoholic Beverages - Beer Wholesalers**

3 FOR the purpose of authorizing in Harford County a beer wholesaler to sell beer on  
4 credit to a certain retail dealer under certain circumstances; providing a penalty  
5 for violation of this Act; prohibiting the Board of License Commissioners for  
6 Harford County from transferring or renewing certain licenses; prohibiting a  
7 certain retail dealer who fails to satisfy a certain debt from obtaining beer on  
8 credit under certain circumstances; requiring the State Comptroller to enforce  
9 this Act; prohibiting a certain action to be brought in court; and generally  
10 relating to beer wholesalers in Harford County.

11 BY repealing and reenacting, without amendments,  
12 Article 2B - Alcoholic Beverages  
13 Section 12-112(a)  
14 Annotated Code of Maryland  
15 (1996 Replacement Volume and 1997 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article 2B - Alcoholic Beverages  
18 Section 12-112(b)  
19 Annotated Code of Maryland  
20 (1996 Replacement Volume and 1997 Supplement)

21 BY adding to  
22 Article 2B - Alcoholic Beverages  
23 Section 12-112.1  
24 Annotated Code of Maryland  
25 (1996 Replacement Volume and 1997 Supplement)

26 BY repealing and reenacting, with amendments,  
27 Article 2B - Alcoholic Beverages  
28 Section 12-112(b)  
29 Annotated Code of Maryland

1 (1996 Replacement Volume and 1997 Supplement)  
2 (As enacted by Chapter 507 of the Acts of the General Assembly of 1996)

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

5 **Article 2B - Alcoholic Beverages**

6 12-112.

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

- 8 (1) Baltimore City;
- 9 (2) Caroline;
- 10 (3) Cecil;
- 11 (4) Charles;
- 12 (5) Dorchester;
- 13 (6) Frederick;
- 14 (7) Garrett;
- 15 (8) Harford;
- 16 (9) Kent;
- 17 (10) Prince George's;
- 18 (11) Queen Anne's;
- 19 (12) St. Mary's;
- 20 (13) Somerset;
- 21 (14) Talbot;
- 22 (15) Washington;
- 23 (16) Wicomico; and
- 24 (17) Worcester.

25 (b) Except as provided in subsection (c) of this section AND § 12-112.1 OF THIS  
26 SUBHEADING, a manufacturer or wholesaler may not sell any beer to any retail dealer  
27 except for cash on delivery.

1 12-112.1.

2 (A) THIS SECTION APPLIES ONLY IN HARFORD COUNTY.

3 (B) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPHS (2), (3), AND (4) OF  
4 THIS SUBSECTION, A WHOLESALER MAY SELL BEER ON CREDIT TO A RETAIL DEALER  
5 WHO HAS BEEN DOING BUSINESS FOR AT LEAST 2 YEARS.

6 (2) A WHOLESALER WHO EXTENDS CREDIT UNDER THIS SUBSECTION  
7 MAY ESTABLISH DIFFERENT PRICES FOR CASH AND CREDIT TRANSACTIONS.

8 (3) A TERM OF CREDIT EXTENDED UNDER THIS SUBSECTION MAY NOT  
9 EXCEED 10 DAYS, WITH NO GRACE PERIOD.

10 (4) (I) A WHOLESALER MAY NOT INTENTIONALLY DELIVER BEER TO A  
11 RETAIL DEALER TO WHOM ANY WHOLESALER HAS EXTENDED CREDIT UNDER THIS  
12 SUBSECTION AND WHO FAILS TO PAY THE BALANCE OWED OR MAKES A PAYMENT ON  
13 THE DEBT BY BAD CHECK.

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

16 (C) THE BOARD OF LICENSE COMMISSIONERS FOR HARFORD COUNTY MAY  
17 NOT TRANSFER OR RENEW THE ALCOHOLIC BEVERAGES LICENSE OF A RETAIL  
18 DEALER WHO HAS BEEN EXTENDED CREDIT UNDER THIS SECTION AND WHO OWES A  
19 BALANCE ON THE DEBT AT THE TIME OF THE TRANSFER OR RENEWAL.

20 (D) A RETAIL DEALER WHO FAILS TO SATISFY A DEBT ON CREDIT EXTENDED  
21 UNDER THIS SECTION ON THREE SEPARATE OCCASIONS WITHIN A SINGLE  
22 CALENDAR YEAR MAY NOT OBTAIN BEER ON CREDIT FOR A PERIOD OF 2 YEARS FROM  
23 THE TIME OF THE THIRD OCCURRENCE.

24 (E) THE STATE COMPTROLLER SHALL ENFORCE THE PROVISIONS OF THIS  
25 SECTION.

26 (F) AN ACTION IN CONTRACT TO ENFORCE OR COLLECT ANY CLAIM FOR  
27 CREDIT EXTENDED IN VIOLATION OF THIS SECTION MAY NOT BE MAINTAINED IN  
28 THE STATE.

29 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
30 read as follows:

31 **Article 2B - Alcoholic Beverages**

32 12-112.

33 (b) [A] EXCEPT AS PROVIDED IN § 12-112.1 OF THIS SUBHEADING, A  
34 manufacturer or wholesaler may not sell any beer to any retail dealer except for cash  
35 on delivery.

1 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall  
2 take effect July 1, 1998.

3 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
4 take effect October 1, 1998.