

SENATE BILL 514

Unofficial Copy  
A1

2003 Regular Session  
3r1574  
CF 3r1576

---

By: **Senator Harris**

Introduced and read first time: January 31, 2003

Assigned to: Education, Health, and Environmental Affairs

---

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages - Sale of Out-of-State Wine - Wholesalers**

3 FOR the purpose of repealing certain requirements imposed on wholesalers of  
4 alcoholic beverages concerning the direct sale of wine from outside the State to  
5 consumers in the State under a direct wine seller's permit; requiring that wine  
6 that is delivered to a personal consumer is shipped to a certain retail dealer;  
7 requiring that a retail dealer keep certain records and identifying numbers;  
8 repealing a certain service charge rate payable to certain wholesalers; and  
9 generally relating to the direct sale of wine from outside the State to consumers  
10 in the State.

11 BY repealing and reenacting, without amendments,  
12 Article 2B - Alcoholic Beverages  
13 Section 7.5-101(a) and (b)  
14 Annotated Code of Maryland  
15 (2001 Replacement Volume and 2002 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article 2B - Alcoholic Beverages  
18 Section 7.5-106 through 7.5-109  
19 Annotated Code of Maryland  
20 (2001 Replacement Volume and 2002 Supplement)

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

23 **Article 2B - Alcoholic Beverages**

24 7.5-101.

25 (a) In this subtitle the following words have the meanings indicated.

26 (b) "Direct wine seller" means the holder of a direct wine seller's permit issued  
27 under this subtitle.

1 7.5-106.

2 (a) Wine that is delivered to a personal consumer shall be [:

3 (1) Shipped] SHIPPED freight prepaid to a [wholesaler] RETAIL DEALER  
4 licensed in this State who is designated by the Alcohol and Tobacco Tax Division of the  
5 Office of the Comptroller[; and

6 (2) Delivered by the wholesaler to a retail dealer].

7 (b) The Alcohol and Tobacco Tax Division of the Office of the Comptroller shall  
8 record the receipt and disposition of all wine sold by direct wine sellers.

9 (c) The [wholesaler] RETAIL DEALER shall keep a record of the shipping  
10 invoice to:

11 (1) Provide the Office of the Comptroller with a documentary trail; and

12 (2) Notify the personal consumer of any health or welfare recall.

13 7.5-107.

14 (a) The direct wine seller shall list the contents of the shipment on the outside  
15 of the shipping package with an identifying number that the [wholesaler] RETAIL  
16 DEALER shall record.

17 (b) [The wholesaler and] A retail dealer [act] ACTS solely as [facilitators] A  
18 FACILITATOR in the shipping process and [do] DOES not have title to the wine vested  
19 in [them] THE RETAIL DEALER.

20 [(c) The wholesaler who receives the shipment may not enter the wine into the  
21 wholesaler's inventory but shall deliver the wine on the wholesaler's next delivery  
22 date to the retail dealer that the direct wine seller designates.]

23 7.5-108.

24 (a) A personal consumer shall take personal delivery of the shipment at the  
25 licensed premises of the retail dealer promptly on receiving notice from the retail  
26 dealer.

27 (b) [A] IF THE RETAIL DEALER CHOOSES TO IMPOSE A SERVICE CHARGE, A  
28 personal consumer shall pay service charges that are not subject to the Maryland  
29 sales tax to[:

30 (1) The] THE retail dealer when the consumer takes delivery at the rate  
31 of \$5 per bottle but not more than \$10 per shipment[; and

32 (2) The wholesaler at the rate of \$2 per bottle but not more than \$4 per  
33 shipment].

1 (c) A personal consumer may not receive more than 108 liters of wine in total  
2 from one or more direct wine sellers in a permit year.

3 7.5-109.

4 The [wholesaler and the] retail dealer [do] DOES not bear the risk of loss and  
5 [are] IS not liable for any product defect, product contamination, or other product or  
6 packaging damage except for damage that [they cause] THE RETAIL DEALER  
7 CAUSES.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 June 1, 2003.