

BY: Education, Health, and Environmental Affairs Committee

AMENDMENTS TO HOUSE BILL NO. 393

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “Event” insert “and Charity Wine Auction”; strike beginning with “increasing” in line 4 down through “year” in line 6 and substitute “altering the frequency for issuing winery special event permits”; in line 6, after “permit;” insert “altering the fee for charity wine auction permits;”; in line 7, after “event” insert “and charity wine auction”; and in line 10, after “2-101” insert “(o) and”.

AMENDMENT NO. 2

On page 1, after line 16, insert:

“(o) (1) In this subsection the following words have the meanings indicated.

(i) “Charitable organization” means an organization that is a benevolent, educational, philanthropic, humane, patriotic, religious, or eleemosynary organization that solicits or obtains contributions solicited from the public for charitable or benevolent purposes, and that is registered with the Secretary of State as required by law.

(ii) “Charitable organization” includes a chapter, branch, area office, or similar affiliate which has its principal place of business outside the State.

(iii) “Charitable organization” does not include a political party, political committee, political club, an agency of the State government or political subdivision, a fraternal organization, fire fighters, rescue or ambulance squads, or police or other law enforcement organization.

(2) A wine auction permit, provided for under this subsection, may not be issued for use within Montgomery County.

(Over)

(3) The Office of the Comptroller may issue a 1-day wine auction permit to a charitable organization.

(4) The permit authorizes the holder to sell wine at public or private auction to any consumer through the solicitation and acceptance of bids.

(5) The permit may be granted for:

(i) An unlicensed premises;

(ii) A Class B or C licensed premises; or

(iii) In Baltimore City, a Class B-D-7 licensed premises.

(6) The permit fee is [~~\$500~~] \$10.

(7) (i) The permit authorizes the holder to conduct 1 auction of wine during a calendar year.

(ii) Only 1 permit shall be issued to each charity during a calendar year.

(8) (i) A permit holder may receive wine for the auction from:

1. A wholesaler licensed under this article;

2. A Class 3 or Class 4 winery licensed under this article;

3. A retail dealer licensed under this article;

4. A private individual residing in the State; or

5. A business entity that is located in the State and not licensed under this article.

(ii) A permit holder may receive commercially-produced wine that is not authorized for distribution and sale in the State from:

1. A nonresident private individual; or
2. A business entity that is located outside of this State.

(9) (i) Wine that is received from the following sources is subject to Maryland tax as provided under § 5-102 of the Tax - General Article:

1. Wholesalers licensed under this article;
2. Class 3 and 4 wineries licensed under this article; and
3. Any other source outside of this State.

(ii) Wine that is received from the following sources is presumed to have been tax-paid:

1. Retail dealers licensed under this article;
2. Private individuals residing in this State; and
3. Business entities that are located in this State and not licensed

under this article.

(10) (i) Within 30 days from the close of the auction, the permit holder shall file a report and pay all taxes that are due and owing on the wine that is received for the auction.

(ii) The report shall be filed with the Office of the Comptroller and shall include the total number of gallons of wine that was received for the auction and the sources from which it was received.

(iii) The Office of the Comptroller shall provide the forms for the report.

(11) The Office of the Comptroller may require that, within 7 days from the date of the auction, the permit holder prepay a satisfactory sum to cover the anticipated wine tax that is due

and owing.

(12) (i) Wines that have been purchased at auction shall be delivered to the purchaser at the event or from a licensed warehouse or retail premises or other premises that is approved by the Office of the Comptroller.

(ii) All wines delivered are subject to the applicable State sales taxes.

(13) Notwithstanding any other provision of this article, any person authorized to sell wine at retail may purchase any wine offered at a wine auction, provided for under this section, in an amount not exceeding 5 gallons (18 liters) and may resell it in accordance with the terms of their license.

(14) The Office of the Comptroller may adopt regulations to implement the provisions of this subsection.”.