

HOUSE BILL 701

A1

3lr2433

By: **Delegate Barkley**

Introduced and read first time: February 4, 2013

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 15, 2013

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages – Repeal of Obsolete Provisions of Law**

3 FOR the purpose of repealing certain obsolete provisions of the State alcoholic
4 beverages law, including the repeal of the definition of “this article”, the repeal
5 of a requirement that the Comptroller prescribe certain maximum discounts
6 that may be allowed by a manufacturer, wholesaler, or nonresident winery
7 permit holder, the repeal of a requirement that the Comptroller require the
8 filing of certain schedules of prices and price changes by certain licensees, the
9 repeal of the authorization for the Comptroller to require that suppliers of
10 certain wholesalers affirm that the net price of each item offered for sale is no
11 higher than a certain price, the repeal of a requirement that certain persons in
12 Baltimore City be certified by an approved alcohol awareness program, and the
13 repeal of certain bonding requirements in Garrett County; and generally
14 relating to obsolete alcoholic beverages provisions of law.

15 BY repealing

16 Article 2B – Alcoholic Beverages
17 Section 1–102(a)(25), 12–103, 13–101(c)(4), and 14–101(b)
18 Annotated Code of Maryland
19 (2011 Replacement Volume and 2012 Supplement)

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

22 **Article 2B – Alcoholic Beverages**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 1-102.

2 (a) [(25) "This article" includes provisions in the Tax – General Article
3 derived from this article.]

4 [12-103.

5 (a) It is the declared policy of this State that it is necessary to regulate and
6 control the sale and distribution within the State of wines and liquors, for the purpose
7 of fostering and promoting temperance in their consumption and respect for and
8 obedience to the law. In order to eliminate price wars, which unduly stimulate the sale
9 and consumption of wines and liquors and disrupt the orderly sale and distribution
10 thereof, it is hereby declared as the policy of this State that the sale of wines and
11 liquors should be subjected to the following restrictions, prohibitions and regulations.
12 The necessity for the enactment of the provisions of this section is, therefore, declared
13 as a matter of legislative determination.

14 (b) The Comptroller is authorized and directed, by regulation, to prescribe
15 the maximum discounts which may be allowed by any manufacturer, wholesaler, or
16 nonresident winery permit holder in the sale and distribution of various quantities of
17 wines and liquors. Said regulation may also, in the discretion of the Comptroller,
18 prohibit the giving of discounts by any manufacturer, wholesaler, or nonresident
19 winery permit holder in the sale and distribution of any or all quantities or kinds of
20 wines and liquors.

21 (c) The Comptroller is authorized and directed, by regulation, to require the
22 filing, from time to time, by any manufacturer, wholesaler, nonresident dealer,
23 resident dealer, or nonresident winery permit holder of schedules of prices at which
24 wines and liquors are sold by such manufacturer, wholesaler, nonresident dealer,
25 resident dealer, or nonresident winery permit holder and further to require the filing
26 of any proposed price change. Said regulation shall provide that the effective date of
27 any proposed price decrease shall be postponed for such period of time as the
28 Comptroller may prescribe sufficient to permit notice thereof to other manufacturers
29 or wholesalers selling similar wines and liquors and an opportunity for the same to
30 make a like price decrease. Said regulation shall also provide that any manufacturer,
31 wholesaler, nonresident dealer, resident dealer, or nonresident winery permit holder
32 proposing to sell any wines and liquors not currently being sold by the same shall first
33 give notice to the Comptroller of the prices at which such wines and liquors are
34 proposed to be sold; and said regulation shall further provide that sales of such wines
35 and liquors shall not be made for such period of time as the Comptroller may prescribe
36 sufficient to permit notice thereof to other manufacturers or wholesalers selling
37 similar wines and liquors and an opportunity for such other manufacturers or
38 wholesalers to alter the price of such similar wines and liquors so as to make that
39 price comparable to the price fixed by the manufacturer or wholesaler proposing to sell
40 wines and liquors not currently being sold. The Comptroller is authorized and
41 empowered, in promulgating the regulations required by this subsection, to require

1 the filing by any manufacturer, wholesaler, nonresident dealer, resident dealer, or
2 nonresident winery permit holder of any other information with regard to the size,
3 containers, brands, labels, descriptions, packages, quantities to be sold and any other
4 data in connection with wines and liquors as the Comptroller may reasonably
5 determine.

6 (c-1) The Comptroller may require, by regulation, that suppliers of wholesalers
7 of distilled spirits affirm that the net price of each item offered for sale, exclusive of
8 routine transportation costs, is no higher than the lowest price at which such item is
9 being offered for sale elsewhere within the United States, including the District of
10 Columbia.

11 (d) Any person violating any of the provisions of any regulation promulgated
12 under the authority contained in this section shall be subject to the penalties provided
13 in §§ 2-101 and 10-401, as the case may be, of this article.

14 (e) Nothing contained in this section shall be construed to authorize the
15 Comptroller to fix the prices at which any wines and liquors may be sold by any
16 manufacturer, wholesaler, nonresident dealer, resident dealer, or nonresident winery
17 permit holder other than to fix permissible discounts which may be allowed by any
18 manufacturer or wholesaler on such sales and other than to postpone the effective date
19 of any proposed price decrease in the sale and distribution of wines and liquors
20 currently sold by any manufacturer, wholesaler, nonresident dealer, resident dealer,
21 or nonresident winery permit holder or the effective date of the sale of any wines and
22 liquors not currently being sold by any manufacturer, wholesaler, nonresident dealer,
23 resident dealer, or nonresident winery permit holder for a reasonable period sufficient
24 to permit the filing of proposed price decreases or proposed sales of wines and liquors
25 not currently being sold, as the case may be, with the Comptroller and notice thereof
26 to other manufacturers or wholesalers, and an opportunity for the same to make like
27 price changes. Nothing contained in this section shall be construed to require any
28 manufacturer, wholesaler, nonresident dealer, resident dealer, or nonresident winery
29 permit holder of wines and liquors to make sales to any licensees under the provisions
30 of this article.]

31 13-101.

32 (c) [(4) (i) This paragraph applies only to an establishment covered
33 under § 20-102(a) of this article, in Baltimore City.

34 (ii) Any bottle club owner or a person who is employed in a
35 supervisory capacity designated by the owner shall be certified by an approved alcohol
36 awareness program and shall be present during the hours in which alcohol is served or
37 consumed.]

38 14-101.

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1 **[(b)** In Garrett County no retail license which has been refused, suspended or
2 revoked after July 1, 1971, shall be granted until the applicant shall have executed a
3 bond to the State of Maryland in the penal sum of one thousand dollars (\$1,000.00),
4 with two sufficient sureties to be approved by the Liquor Control Board of Garrett
5 County, conditioned for the faithful observance of all laws of this State relating to the
6 sale or furnishing of beer, or other alcoholic beverages and to pay all costs, fines, and
7 penalties which may be imposed upon him or them on any warrant or indictment for
8 violation of this article or any other act of assembly relating to selling or furnishing
9 beer or any other alcoholic beverage in Garrett County, and the said bond when so
10 approved shall be deposited with the Board of License Commissioners who shall record
11 the same in a book to be kept by it for that purpose, and the record thereof, or a duly
12 certified copy, shall be evidenced in any court of law.]

13 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect
14 July 1, 2013.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.