

SENATE BILL 911

A1

5lr2404

By: **Senator Hershey**

Introduced and read first time: March 9, 2015

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Comptroller – Special Event Liquor Permit**

3 FOR the purpose of authorizing the Office of the Comptroller to issue a special event liquor
4 permit to a holder of a Class 2 manufacturer's license for certain purposes under
5 certain circumstances; establishing certain limitations on the number and locations
6 of special event liquor permits that may be issued in a year; establishing certain
7 requirements and a fee for the special event liquor permit; authorizing the holder of
8 the special event liquor permit to provide samples of and sell certain liquor under
9 certain circumstances; authorizing the holder of a Class 2 manufacturer's license to
10 sell certain liquor in a certain manner and to store certain other liquor for certain
11 purposes in a certain manner; authorizing the holder of a Class 2 manufacturer's
12 license to provide liquor for certain promotional activities conducted by certain
13 persons or organizations; requiring certain persons to remain present during a
14 certain promotional activity; requiring certain persons to comply with certain rules
15 or regulations; requiring certain advance written permission to be obtained for a
16 certain promotional activity; and generally relating to liquor and special event
17 permits.

18 BY adding to

19 Article 2B – Alcoholic Beverages
20 Section 2–101(b)(11) and (z) and 12–107(b)(11)
21 Annotated Code of Maryland
22 (2011 Replacement Volume and 2014 Supplement)

23 BY repealing and reenacting, with amendments,

24 Article 2B – Alcoholic Beverages
25 Section 2–203(a)
26 Annotated Code of Maryland
27 (2011 Replacement Volume and 2014 Supplement)

28 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article 2B – Alcoholic Beverages
2 Section 12–107(a) and (b)(2)
3 Annotated Code of Maryland
4 (2011 Replacement Volume and 2014 Supplement)

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

7 **Article 2B – Alcoholic Beverages**

8 2–101.

9 (b) (11) THE FEE FOR A SPECIAL EVENT LIQUOR PERMIT IS \$25 FOR EACH
10 EVENT.

11 (z) (1) THE OFFICE OF THE COMPTROLLER MAY ISSUE A SPECIAL EVENT
12 LIQUOR PERMIT TO THE HOLDER OF A CLASS 2 MANUFACTURER’S LICENSE IF:

13 (i) NOT MORE THAN 12 SPECIAL EVENT LIQUOR PERMITS ARE
14 ISSUED TO THE LICENSE HOLDER IN ANY GIVEN CALENDAR YEAR;

15 (ii) THE DURATION OF THE PERMIT DOES NOT EXCEED 3
16 CONSECUTIVE DAYS; AND

17 (iii) NOT MORE THAN ONE SPECIAL EVENT LIQUOR PERMIT IS
18 ISSUED IN ANY CALENDAR YEAR TO ANY GIVEN HOLDER OF A CLASS 2
19 MANUFACTURER’S LICENSE FOR USE IN THE SAME POLITICAL SUBDIVISION.

20 (2) THE SPECIAL EVENT LIQUOR PERMIT MAY BE ISSUED ONLY FOR
21 AN EVENT THAT:

22 (i) HAS AS ITS MAJOR PURPOSE AN ACTIVITY OTHER THAN THE
23 SALE AND PROMOTION OF LIQUOR AND FOR WHICH THE PARTICIPATION OF THE
24 HOLDER IS A SUBORDINATE ACTIVITY;

25 (ii) IS ORGANIZED AND CONDUCTED BY A NONPROFIT
26 ORGANIZATION OR GOVERNMENTAL ENTITY;

27 (iii) THE OFFICE OF THE COMPTROLLER APPROVES; AND

28 (iv) IS HELD ON A NONLICENSED PREMISES OR A PREMISES ON
29 WHICH A PERSON MAY OBTAIN A TEMPORARY ALCOHOLIC BEVERAGES LICENSE.

30 (3) A SPECIAL EVENT LIQUOR PERMIT AUTHORIZES THE HOLDER TO:

1 **(I) PROVIDE SAMPLES NOT TO EXCEED 1 FLUID OUNCE PER**
2 **BRAND TO CONSUMERS;**

3 **(II) SELL NOT MORE THAN FOUR 750-MILLILITER BOTTLES OF**
4 **LIQUOR TO A CONSUMER AT ANY GIVEN EVENT OR FESTIVAL FOR OFF-PREMISES**
5 **CONSUMPTION; AND**

6 **(III) SELL BY THE GLASS LIQUOR THE LICENSE HOLDER**
7 **PRODUCES TO PERSONS PARTICIPATING IN ANY EVENT OR FESTIVAL AND FOR**
8 **ON-PREMISES CONSUMPTION.**

9 **(4) THE APPLICATION FOR A SPECIAL EVENT LIQUOR PERMIT SHALL**
10 **BE FILED WITH THE OFFICE OF THE COMPTROLLER NOT LESS THAN 15 DAYS**
11 **BEFORE ANY EVENT.**

12 2-203.

13 (a) A Class 2 manufacturer's license:

14 (1) Is a rectifying license;

15 (2) Authorizes the holder to:

16 (i) Establish and operate in this State a plant for rectifying,
17 blending and bottling alcoholic beverages; and

18 (ii) Sell and deliver alcoholic beverages to a holder of a distillery,
19 rectifying, or wholesaler's license, or to permit holders authorized to acquire those alcoholic
20 beverages and to persons outside this State;

21 (3) Authorizes the holder to acquire alcoholic beverages from the holder of
22 a:

23 (i) Distillery, rectifying, winery, or wholesaler's license in this State;
24 or

25 (ii) Nonresident dealer's permit;

26 (4) Authorizes the holder to rectify, blend, bottle and store alcoholic
27 beverages for another person or under another trade name if a rectifying license has been
28 issued in the name of that person or under that trade name, as the case may be; and

29 (5) Authorizes the holder to:

30 (i) Conduct guided tours of the licensed premises; [and]

1 (ii) Serve not more than three samples of products manufactured at
2 the licensed premises, with each sample consisting of not more than one-half ounce from a
3 single product, to persons who have attained the legal drinking age and participated in a
4 guided tour of the licensed premises;

5 **(III) SELL LIQUOR BY THE GLASS THAT THE HOLDER PRODUCES**
6 **TO PERSONS ATTENDING A SCHEDULED PROMOTIONAL EVENT OR OTHER**
7 **ORGANIZED ACTIVITY AT THE LICENSED PREMISES; AND**

8 **(IV) IF RECORDS ARE MAINTAINED AND REPORTS FILED AS THE**
9 **COMPTROLLER REQUIRES, STORE ON ITS LICENSED PREMISES, IN A SEGREGATED**
10 **AREA THE COMPTROLLER APPROVES, THE PRODUCT OF OTHER CLASS 2**
11 **MANUFACTURERS TO BE USED AT PROMOTIONAL ACTIVITIES OF A TRADE**
12 **ASSOCIATION REPRESENTING MARYLAND DISTILLERS OR RECTIFIERS.**

13 12-107.

14 (a) No retail dealer, other than the holder of a Class E, Class F or Class G license,
15 shall purchase any alcoholic beverages except from a duly licensed manufacturer,
16 wholesaler, or private bulk sale permit holder or nonresident winery permit holder under
17 the provisions of this article, and no retail dealers shall sell to any other retail dealer any
18 alcoholic beverages except to the holder of a special Class C beer, beer and wine and beer,
19 wine and liquor license, and shall not at any time keep or permit to be kept upon the
20 licensed premises any alcoholic beverages except those so purchased.

21 (b) (2) Except as provided in paragraph (10) of this subsection, it shall be
22 unlawful for any person to drink on the licensed premises of any license holder any alcoholic
23 beverages not purchased from the license holder on said premises and not permitted by this
24 article to be consumed on the premises; and it shall be unlawful for any license holder to
25 permit any person to drink any alcoholic beverage not purchased from the said license
26 holder on the premises covered by the license which he holds and not permitted by this
27 article to be consumed on the premises.

28 **(11) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE,**
29 **PARAGRAPH (2) OF THIS SUBSECTION DOES NOT APPLY TO THE HOLDER OF A CLASS**
30 **2 MANUFACTURER'S LICENSE THAT BRINGS LIQUOR MANUFACTURED ON ITS**
31 **LICENSED PREMISES ONTO A RETAIL LICENSED PREMISES UNDER THE FOLLOWING**
32 **CONDITIONS:**

33 **(I) THE PRODUCT IS BEING PROVIDED FOR A BONA FIDE**
34 **PROMOTIONAL ACTIVITY CONDUCTED BY THE LICENSE HOLDER OR A RETAIL**
35 **LICENSEE, AN ALCOHOLIC BEVERAGES TRADE ASSOCIATION, OR A NONPROFIT**
36 **ORGANIZATION;**

1 **(II) A REPRESENTATIVE OF THE LICENSE HOLDER, OR A TRADE**
2 **ASSOCIATION REPRESENTING MARYLAND DISTILLERS OR RECTIFIERS, IS PRESENT**
3 **AT ALL TIMES DURING THE PERIOD OF THE PROMOTIONAL ACTIVITY;**

4 **(III) ANY UNOPENED OR PARTIALLY CONSUMED CONTAINERS OF**
5 **LIQUOR ARE REMOVED FROM THE RETAIL LICENSED PREMISES AT THE**
6 **CONCLUSION OF THE PROMOTIONAL ACTIVITY;**

7 **(IV) THE LICENSE HOLDER OR TRADE ASSOCIATION COMPLIES**
8 **WITH ANY RULES OR REGULATIONS ADOPTED BY THE COMPTROLLER RELATING TO**
9 **ON-PREMISES PROMOTIONS AND PRODUCT SAMPLING; AND**

10 **(V) THE LICENSE HOLDER OR TRADE ASSOCIATION HAS THE**
11 **ADVANCE WRITTEN PERMISSION OF THE RETAIL LICENSEE TO BRING LIQUOR**
12 **PRODUCTS ON THE RETAIL LICENSED PREMISES FOR PURPOSES OF THE**
13 **PROMOTIONAL ACTIVITY.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
15 1, 2015.