

# SENATE BILL 725

A1, A2

6lr2042

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By: **The President (By Request – Department of Legislative Services – Code Revision)**

Introduced and read first time: February 5, 2016

Assigned to: Education, Health, and Environmental Affairs

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 4, 2016

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Alcoholic Beverages – Cross-References and Corrections**

3 FOR the purpose of correcting certain cross-references to the Alcoholic Beverages Article  
4 in the Annotated Code of Maryland; correcting certain errors in the Alcoholic  
5 Beverages Article; and generally relating to the Alcoholic Beverages Article and  
6 cross-references and corrections to it.

7 BY repealing and reenacting, with amendments,  
8 Article – Agriculture  
9 Section 10–1201(e) and (f)  
10 Annotated Code of Maryland  
11 (2007 Replacement Volume and 2015 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article – Alcoholic Beverages  
14 Section 2–131(b), 16–2004(b)(2)(i), 21–903(d), 21–905(e)(1) and (2), 21–1304(c), and  
15 21–1310(e)  
16 Annotated Code of Maryland  
17 (As enacted by Chapter \_\_\_\_\_ (S.B. 724) of the Acts of the General Assembly of 2016)

18 BY repealing and reenacting, with amendments,  
19 Article – Business Regulation  
20 Section 15–203(a)(5)  
21 Annotated Code of Maryland

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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 (2015 Replacement Volume and 2015 Supplement)
- 2 BY repealing and reenacting, with amendments,  
3 Article – Courts and Judicial Proceedings  
4 Section 7–409(a)(2)(xv)  
5 Annotated Code of Maryland  
6 (2013 Replacement Volume and 2015 Supplement)
- 7 BY repealing and reenacting, with amendments,  
8 Article – Criminal Law  
9 Section 10–114(a)(1), 10–118(a)(1), 10–119(b)(1)(iii), 10–121(a), and 10–125(d)  
10 Annotated Code of Maryland  
11 (2012 Replacement Volume and 2015 Supplement)
- 12 BY repealing and reenacting, with amendments,  
13 Article – Criminal Procedure  
14 Section 4–101(c)(1)(ii)1.  
15 Annotated Code of Maryland  
16 (2008 Replacement Volume and 2015 Supplement)
- 17 BY repealing and reenacting, with amendments,  
18 Article – Election Law  
19 Section 16–207(a)  
20 Annotated Code of Maryland  
21 (2010 Replacement Volume and 2015 Supplement)
- 22 BY repealing and reenacting, with amendments,  
23 Article – Health – General  
24 Section 24–501(e)(2)  
25 Annotated Code of Maryland  
26 (2015 Replacement Volume)
- 27 BY repealing and reenacting, with amendments,  
28 Article – Insurance  
29 Section 2–401(c)(4)(vii) and 27–801(c)(3)(vii)  
30 Annotated Code of Maryland  
31 (2011 Replacement Volume and 2015 Supplement)
- 32 BY repealing and reenacting, with amendments,  
33 Article – Local Government  
34 Section 5–105(a) and 18–203(a)(5)  
35 Annotated Code of Maryland  
36 (2013 Volume and 2015 Supplement)
- 37 BY repealing and reenacting, with amendments,  
38 Article – Public Safety  
39 Section 11–116(a)(2)(xii) and (b)(2)(xii)

1 Annotated Code of Maryland  
2 (2011 Replacement Volume and 2015 Supplement)

3 BY repealing and reenacting, with amendments,  
4 Article – Real Property  
5 Section 14–123(e)(2)(iii), 14–124(e)(2)(iii), 14–125(e)(2)(iii), and 14–125.1(g)(2)(iii)  
6 Annotated Code of Maryland  
7 (2015 Replacement Volume)

8 BY repealing and reenacting, with amendments,  
9 Article – State Government  
10 Section 9–1A–24(b)(4), 9–1A–37(a), and 12–101(a)(9)  
11 Annotated Code of Maryland  
12 (2014 Replacement Volume and 2015 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – Tax – General  
15 Section 5–301(c), 5–302, 10–735(a)(5), 13–834(b)(2), and 13–841(a)(1)  
16 Annotated Code of Maryland  
17 (2010 Replacement Volume and 2015 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Article – Tax – General  
20 Section 11–101(m)(13)  
21 Annotated Code of Maryland  
22 (2010 Replacement Volume and 2015 Supplement)  
23 (As enacted by Chapter 3 of the Acts of the General Assembly of 2016)

24 BY repealing and reenacting, with amendments,  
25 Article – Transportation  
26 Section 21–903(d)  
27 Annotated Code of Maryland  
28 (2012 Replacement Volume and 2015 Supplement)

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

31 **Article – Agriculture**

32 10–1201.

33 (e) “Wine” has the meaning stated in [Article 2B, § 1–102 of the Code] **§ 1–101**  
34 **OF THE ALCOHOLIC BEVERAGES ARTICLE.**

35 (f) “Winery” means an establishment that has a winery license or limited winery  
36 license under [Article 2B, § 2–204 or § 2–205 of the Code] **§ 2–205 OR § 2–206 OF THE**  
37 **ALCOHOLIC BEVERAGES ARTICLE.**

Article – Alcoholic Beverages

2–131.

(b) [The Comptroller] A LOCAL LICENSING BOARD may issue the permit to a nonprofit organization, as defined by [§ 501(c)(3)] § 501(C) of the Internal Revenue Code, that meets the requirements of this section.

16–2004.

(b) (2) A holder of a 7–day Class B beer and wine license may sell beer and wine for off–premises consumption:

(i) on Monday through Saturday from 8 a.m. to 11 p.m. [the following day]; and

21–903.

(d) A license holder of a Class BDR license may acquire the catering option authorized under [§ 21–901] § 21–902 of this subtitle.

21–905.

(e) (1) For a Class D (on–sale) beer, wine, and liquor license without a catering [privilege] OPTION, the annual fee is \$1,500, and the one–time issuance fee for a new license is \$1,500.

(2) For a Class D (on–sale) beer, wine, and liquor license with a catering [privilege] OPTION, the annual fee is \$2,000, and the issuance fee for a new license is \$2,000.

21–1304.

(c) The license authorizes the holder to display and sell beer that is:

(1) manufactured and processed in [the State] ANY STATE; and

(2) distributed in the State when the license application is filed.

21–1310.

(e) The fee for a Class C multiple [day] EVENT license is:

(1) \$125 for not more than 5 events per year;

1           (2)    \$250 for not more than 12 events per year;

2           (3)    \$375 for not more than 18 events per year; and

3           (4)    \$500 for not more than 24 events per year.

#### 4                                   Article – Business Regulation

5   15–203.

6           (a)    An innkeeper may refuse to provide lodging or services to or may remove from  
7   a lodging establishment an individual who:

8                   (5)    the innkeeper reasonably believes is using the lodging establishment  
9   for the unlawful possession or use of a controlled dangerous substance in violation of Title  
10  5 of the Criminal Law Article or for the consumption of alcohol by an individual under the  
11  age of 21 years in violation of [Article 2B, § 12–108 of the Code] **§ 6–304, § 6–307, §**  
12 **6–308, OR § 6–309 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

#### 13                                   Article – Courts and Judicial Proceedings

14  7–409.

15           (a)    (2)    “Crime” means an act committed by a person in the State that is:

16                   (xv)   A crime under [Article 2B, Title 22 or § 18–104 of the Code] **§**  
17 **6–301 OR § 33–2503 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

#### 18                                   Article – Criminal Law

19  10–114.

20           (a)    Except as provided in subsection (b)(1) of this section, and subject to  
21  subsection (b)(2) of this section, an individual under the age of 21 years may not:

22                   (1)    possess or have under the individual’s charge or control an alcoholic  
23  beverage unless the individual is a bona fide employee of the license holder as defined in  
24  [Article 2B, § 1–102 of the Code] **§ 1–101 OF THE ALCOHOLIC BEVERAGES ARTICLE**  
25  and the alcoholic beverage is in the possession or under the charge or control of the  
26  individual in the course of the individual’s employment and during regular working hours;  
27  or

28  10–118.

1 (a) Except for a person licensed as an alcoholic beverages licensee under [Article  
2 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE** who possesses a keg in the  
3 course of that person's business, a person may not knowingly:

4 (1) possess a keg that has not been registered under or does not have a  
5 registration form affixed to it as required by [Article 2B, § 21–106 of the Code] **§ 5–303 OF**  
6 **THE ALCOHOLIC BEVERAGES ARTICLE**; or

7 10–119.

8 (b) (1) A citation for a violation of §§ 10–113 through 10–115 or a violation of  
9 § 10–118 of this part may be issued by:

10 (iii) subject to paragraphs (2) and (3) of this subsection, in Anne  
11 Arundel County, Frederick County, Harford County, Kent County, Montgomery County,  
12 Prince George's County, and Talbot County, and only in the inspector's jurisdiction, an  
13 alcoholic beverages inspector who investigates license violations under [Article 2B of the  
14 Code] **THE ALCOHOLIC BEVERAGES ARTICLE**.

15 10–121.

16 (a) This section does not apply to a person who:

17 (1) was acting in the capacity of a licensee, or an employee of a licensee,  
18 under [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE**; and

19 (2) has committed a violation of and is subject to the penalties under  
20 [Article 2B, § 12–108 of the Code] **§ 6–304, § 6–307, § 6–308, OR § 6–309 OF THE**  
21 **ALCOHOLIC BEVERAGES ARTICLE**.

22 10–125.

23 (d) Notwithstanding [Article 2B, Title 19 of the Code] **§ 6–320, § 6–321, OR §**  
24 **6–322 OF THE ALCOHOLIC BEVERAGES ARTICLE**, or any other provision of law, the  
25 prohibitions contained in this section apply throughout the State.

## 26 Article – Criminal Procedure

27 4–101.

28 (c) (1) (ii) Subject to paragraph (2) of this subsection, in addition to any  
29 other law allowing a crime to be charged by citation, a police officer may charge by citation  
30 for:

1                   1.     sale of an alcoholic beverage to an underage drinker or  
2 intoxicated person under [Article 2B, § 12–108 of the Code] **§ 6–304, § 6–307, § 6–308,**  
3 **OR § 6–309 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

4                                   **Article – Election Law**

5 16–207.

6           (a)     In this section, “alcoholic beverages” has the meaning provided in [Article 2B,  
7 § 1–102 of the Code] **§ 1–101 OF THE ALCOHOLIC BEVERAGES ARTICLE.**

8                                   **Article – Health – General**

9 24–501.

10           (e)     “Indoor area open to the public” means:

11                   (2)     An indoor area of any establishment licensed or permitted under  
12 [Article 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE** for the sale or  
13 possession of alcoholic beverages.

14                                   **Article – Insurance**

15 2–401.

16           (c)     “Insurance fraud” means:

17                   (4)     any other fraudulent activity that is committed by or against a person  
18 regulated under this article and is a violation of:

19                                   (vii) [Article 2B, Title 22 of the Code] **§ 6–301 OF THE ALCOHOLIC**  
20 **BEVERAGES ARTICLE;**

21 27–801.

22           (c)     “Insurance fraud” means:

23                   (3)     any other fraudulent activity that is committed by or against a person  
24 regulated under this article and is a violation of:

25                                   (vii) [Article 2B, Title 22 of the Code] **§ 6–301 OF THE ALCOHOLIC**  
26 **BEVERAGES ARTICLE;**

27                                   **Article – Local Government**

28 5–105.

1 (a) The legislative body of a municipality may adopt an ordinance regulating the  
 2 licensing, location, and operation in the municipality of a business establishment that  
 3 allows on its premises any activity involving nudity and sexual displays listed under  
 4 [Article 2B, § 10–405(c) through (f) of the Code] **§ 4–605 OF THE ALCOHOLIC**  
 5 **BEVERAGES ARTICLE.**

6 18–203.

7 (a) The Mayor and City Council of Ocean City may:

8 (5) grant, on the basis of competitive bidding, concessions on the premises  
 9 of the Convention Center for the sale of food or beverages, including, subject to [Article 2B  
 10 of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE**, alcoholic beverages; and

#### 11 **Article – Public Safety**

12 11–116.

13 (a) (2) Paragraph (1) of this subsection does not apply to a person who neither  
 14 intended to use nor used the explosives involved in violation of:

15 (xii) [Article 2B, Title 22 or § 18–104 of the Code] **§ 6–301 OR §**  
 16 **33–2503 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

17 (b) (2) Paragraph (1) of this subsection does not apply to a person who had  
 18 probable cause to believe that the explosives involved would be used for a purpose other  
 19 than the violation of:

20 (xii) [Article 2B, Title 22 or § 18–104 of the Code] **§ 6–301 OR §**  
 21 **33–2503 OF THE ALCOHOLIC BEVERAGES ARTICLE;**

#### 22 **Article – Real Property**

23 14–123.

24 (e) (2) This section may not be construed as to grant standing for an action:

25 (iii) Involving any violation of alcoholic beverages laws under [Article  
 26 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE;** or

27 14–124.

28 (e) (2) This section may not be construed as granting standing for an action:



1 (iii) Involving any violation of alcoholic beverages laws under [Article  
2 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE**; or  
3 14–125.

4 (e) (2) This section may not be construed as granting standing for an action:

5 (iii) Involving any violation of alcoholic beverages laws under [Article  
6 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE**; or  
7 14–125.1.

8 (g) (2) This section may not be construed as granting standing for an action:

9 (iii) Involving any violation of alcoholic beverages laws under [Article  
10 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE**; or

#### 11 **Article – State Government**

12 9–1A–24.

13 (b) (4) A video lottery operation licensee may provide food at no cost to  
14 individuals to the same extent allowed under [Article 2B, § 12–106 of the Code] **§ 5–303**  
15 **OF THE ALCOHOLIC BEVERAGES ARTICLE** for a person engaged in the sale or barter of  
16 spirituous, malt, or intoxicating liquors and licensed under the laws of Maryland.

17 9–1A–37.

18 (a) (1) The Commission may consider and make recommendations on proposed  
19 changes to this subtitle, Subtitle 1 of this title, and any provisions of [Article 2B of the  
20 Code] **THE ALCOHOLIC BEVERAGES ARTICLE** that relate to the regulation of alcoholic  
21 beverages at video lottery facilities.

22 (2) On request of the Governor or the presiding officer of either house of  
23 the General Assembly, the Commission shall consider and make recommendations on  
24 proposed changes to this subtitle, Subtitle 1 of this title, and any provisions of [Article 2B  
25 of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE** that relate to the regulation of  
26 alcoholic beverages at video lottery facilities.

27 (3) A video lottery facility may request that the Commission consider and  
28 make recommendations on proposed changes to this subtitle and any provisions of [Article  
29 2B of the Code] **THE ALCOHOLIC BEVERAGES ARTICLE** that relate to the regulation of  
30 alcoholic beverages at video lottery facilities.

31 12–101.

1 (a) In this subtitle, unless the context clearly requires otherwise, “State  
2 personnel” means:

3 (9) a member of a board of license commissioners of a county or Baltimore  
4 City appointed under the provisions of [Article 2B of the Code] **THE ALCOHOLIC**  
5 **BEVERAGES ARTICLE**, or an employee of a board of license commissioners;

6 **Article – Tax – General**

7 5–301.

8 (c) A person who holds a nonresident winery permit under [Article 2B, § 2–101(u)  
9 of the Code] **§ 2–135 OF THE ALCOHOLIC BEVERAGES ARTICLE** that sells or delivers  
10 wine to retail dealers in the State shall pay the alcoholic beverage tax on that wine, in the  
11 manner that the Comptroller requires, with the return that covers the period in which the  
12 wine manufacturer who holds a nonresident winery permit sells or delivers that wine.

13 5–302.

14 Unless otherwise authorized in this title or in [Article 2B of the Code] **THE**  
15 **ALCOHOLIC BEVERAGES ARTICLE**, a person may not buy, possess, sell, store, transport,  
16 or allow another person to buy, store, sell, or transport an alcoholic beverage on which the  
17 alcoholic beverage tax is not paid.

18 10–735.

19 (a) (5) “Winery” means an establishment licensed by the Comptroller as either  
20 a Class 3 or Class 4 winery under [Article 2B, §§ 2–204 and 2–205 of the Code] **§ 2–205 OR**  
21 **§ 2–206 OF THE ALCOHOLIC BEVERAGES ARTICLE**.

22 11–101.

23 (m) “Taxable service” means:

24 (13) the privilege given to an individual under [Article 2B, § 12–107(b)(10)  
25 of the Code] **§ 4–1102 OF THE ALCOHOLIC BEVERAGES ARTICLE** to consume wine that  
26 is not purchased from or provided by a restaurant, club, or hotel.

27 13–834.

28 (b) “Contraband alcoholic beverage” means an alcoholic beverage, as defined in §  
29 5–101 of this article:

30 (2) that is delivered, possessed, sold, or transported in the State in a  
31 manner not authorized under Title 5 of this article or [Article 2B of the Code] **THE**  
32 **ALCOHOLIC BEVERAGES ARTICLE**.

1 13-841.

2 (a) (1) Contraband alcoholic beverages that are seized under this title and  
3 forfeited may be disposed of or destroyed in the manner allowed under [Article 2B, §  
4 1-201(f)(5) and (6) and (g) of the Code] §§ 6-105, 6-106, AND 6-328 OF THE ALCOHOLIC  
5 BEVERAGES ARTICLE.

6 Article - Transportation

7 21-903.

8 (d) Notwithstanding [Article 2B, Title 19 of the Code] § 6-320, § 6-321, OR §  
9 6-322 OF THE ALCOHOLIC BEVERAGES ARTICLE, or any other provision of law, the  
10 prohibition contained in this section applies throughout the State.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
12 1, 2016.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.