

HOUSE BILL 309

A2

7lr0569

By: **Montgomery County Delegation**

Introduced and read first time: January 25, 2017

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 7, 2017

CHAPTER _____

1 AN ACT concerning

2 **Montgomery County – Beer, Wine, and Liquor Festival License**

3 **MC 7–17**

4 FOR the purpose of establishing a Beer, Wine, and Liquor Festival license in Montgomery
5 County; authorizing a certain festival organization to conduct a beer, wine, and
6 liquor festival under the supervision of the Montgomery County Department of
7 Liquor Control; specifying certain conditions under which beer, wine, or liquor may
8 be displayed and sold on or off the festival premises at certain times; requiring a
9 festival organization to choose festival weekends and location and ensure that the
10 primary focus of the festival is the promotion of Maryland beer, wine, or liquor;
11 authorizing a festival organization to contract with holders of certain alcoholic
12 beverages licenses to sell and display beer, wine, or liquor at the festival; allowing
13 certain persons to hold a festival license in addition to another license; establishing
14 a license fee; requiring certain license fees to be deposited into the general fund of
15 Montgomery County; establishing certain penalties; requiring the Montgomery
16 County Board of License Commissioners to adopt certain regulations; defining
17 certain terms; repealing certain provisions of law concerning beer festival licenses
18 and wine festival licenses that are rendered duplicative by this Act; and generally
19 relating to a beer, wine, and liquor festival in Montgomery County.

20 BY repealing

21 Article – Alcoholic Beverages

22 Section 25–1304 and 25–1305

23 Annotated Code of Maryland

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 (2016 Volume and 2016 Supplement)

2 BY repealing and reenacting, without amendments,
3 Article – Alcoholic Beverages
4 Section 25–102 and 25–401
5 Annotated Code of Maryland
6 (2016 Volume and 2016 Supplement)

7 BY adding to
8 Article – Alcoholic Beverages
9 Section 25–1304
10 Annotated Code of Maryland
11 (2016 Volume and 2016 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That Section(s) 25–1304 and 25–1305 of Article – Alcoholic Beverages of the Annotated
14 Code of Maryland be repealed.

15 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
16 as follows:

17 **Article – Alcoholic Beverages**

18 25–102.

19 This title applies only in Montgomery County.

20 25–401.

21 (a) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of
22 Division I of this article apply in the county without exception or variation:

- 23 (1) § 2–201 (“Issuance by Comptroller”);
- 24 (2) § 2–202 (“Class 1 distillery license”);
- 25 (3) § 2–203 (“Class 9 limited distillery license”);
- 26 (4) § 2–204 (“Class 2 rectifying license”);
- 27 (5) § 2–206 (“Class 4 limited winery license”);
- 28 (6) § 2–207 (“Class 5 brewery license”);
- 29 (7) § 2–210 (“Class 8 farm brewery license”);
- 30 (8) § 2–211 (“Residency requirement”);

- 1 (9) § 2–212 (“Additional licenses”);
2 (10) § 2–213 (“Additional fees”);
3 (11) § 2–214 (“Sale or delivery restricted”);
4 (12) § 2–216 (“Interaction between manufacturing entities and retailers”);
5 (13) § 2–217 (“Distribution of alcoholic beverages — Prohibited practices”);
6 and
7 (14) § 2–218 (“Restrictive agreements between producers and retailers
8 — Prohibited”).

9 (b) Section 2–215 (“Beer sale on credit to retail dealer prohibited”) of Division I of
10 this article does not apply in the county.

11 (c) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of
12 Division I of this article apply in the county:

- 13 (1) § 2–205 (“Class 3 winery license”), subject to § 25–403 of this subtitle;
14 (2) § 2–208 (“Class 6 pub–brewery license”), subject to § 25–404 of this
15 subtitle; and
16 (3) § 2–209 (“Class 7 micro–brewery license”), subject to § 25–405 of this
17 subtitle.

18 **25–1304.**

19 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
20 **INDICATED.**

21 (2) **“FESTIVAL” MEANS THE MONTGOMERY COUNTY BEER, WINE,**
22 **AND LIQUOR FESTIVAL.**

23 (3) **“FESTIVAL ORGANIZATION” MEANS A NONPROFIT ORGANIZATION**
24 **THAT:**

25 (I) **IS CHOSEN BY THE COUNTY TO ORGANIZE THE FESTIVAL;**
26 **AND**

27 (II) **HAS EXTENSIVE EXPERIENCE IN ORGANIZING AND**
28 **MANAGING LARGE–SCALE PUBLIC EVENTS.**

1 **(B) THERE IS A BEER, WINE, AND LIQUOR FESTIVAL LICENSE.**

2 **(C) THE BOARD MAY ISSUE THE LICENSE TO A HOLDER OF A RETAIL**
3 **LICENSE ISSUED IN THE COUNTY, A CLASS 5 BREWERY LICENSE, A CLASS 6**
4 **PUB-BREWERY LICENSE, A CLASS 7 MICRO-BREWERY LICENSE, A STATE CLASS 8**
5 **FARM BREWERY LICENSE, A CLASS 3 WINERY LICENSE, A CLASS 4 LIMITED WINERY**
6 **LICENSE, A CLASS 1 DISTILLERY LICENSE, OR A CLASS 9 LIMITED DISTILLERY**
7 **LICENSE.**

8 **(D) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE**
9 **LICENSE AUTHORIZES THE LICENSE HOLDER TO DISPLAY AND SELL BEER, WINE, OR**
10 **LIQUOR THAT IS DISTRIBUTED IN THE STATE.**

11 **(2) A PERSON MAY NOT SELL, OFFER FOR SALE, OR DISPLAY BEER,**
12 **WINE, OR LIQUOR AT THE FESTIVAL UNLESS THE PERSON:**

13 **(I) HOLDS A BEER, WINE, AND LIQUOR FESTIVAL LICENSE; AND**

14 **(II) HAS CONTRACTED WITH A FESTIVAL ORGANIZATION TO**
15 **DISPLAY AND SELL BEER, WINE, OR LIQUOR AT THE FESTIVAL.**

16 **(E) A LICENSE HOLDER SHALL DISPLAY AND SELL BEER, WINE, OR LIQUOR:**

17 **(1) AT RETAIL FOR ON- AND OFF-PREMISES CONSUMPTION; AND**

18 **(2) DURING THE HOURS AND DAYS DESIGNATED FOR THE FESTIVAL.**

19 **(F) A FESTIVAL ORGANIZATION SHALL:**

20 **(1) CHOOSE THE WEEKENDS FOR THE FESTIVAL;**

21 **(2) CHOOSE A LOCATION REGARDLESS OF WHETHER THE LOCATION**
22 **IS ALREADY LICENSED; AND**

23 **(3) ENSURE THAT THE PRIMARY FOCUS OF THE FESTIVAL IS THE**
24 **PROMOTION OF MARYLAND BEER, WINE, OR LIQUOR.**

25 **(G) A FESTIVAL ORGANIZATION MAY CONTRACT WITH A HOLDER OF A**
26 **RETAIL LICENSE ISSUED IN THE COUNTY, A CLASS 5 BREWERY LICENSE, A CLASS 6**
27 **PUB-BREWERY LICENSE, A CLASS 7 MICRO-BREWERY LICENSE, A STATE CLASS 8**
28 **FARM BREWERY LICENSE, A CLASS 3 WINERY LICENSE, A CLASS 4 LIMITED WINERY**

1 LICENSE, A CLASS 1 DISTILLERY LICENSE, OR A CLASS 9 LIMITED DISTILLERY
2 LICENSE TO SELL AND DISPLAY BEER, WINE, OR LIQUOR AT THE FESTIVAL.

3 (H) A PERSON MAY HOLD A BEER, WINE, AND LIQUOR FESTIVAL LICENSE IN
4 ADDITION TO ANOTHER LICENSE.

5 (I) (1) THE LICENSE FEE IS \$30 FOR EACH DAY OF THE FESTIVAL.

6 (2) LICENSE FEES COLLECTED UNDER THIS SUBSECTION SHALL BE
7 DEPOSITED INTO THE GENERAL FUND OF THE COUNTY.

8 (J) (1) THE BOARD MAY DENY A BEER, WINE, AND LIQUOR FESTIVAL
9 LICENSE TO AN APPLICANT OR SUSPEND OR REVOKE A BEER, WINE, AND LIQUOR
10 FESTIVAL LICENSE IF THE APPLICANT OR LICENSE HOLDER VIOLATES A PROVISION
11 OF THIS ARTICLE OR THE REGULATIONS OF THE BOARD.

12 (2) INSTEAD OF OR IN ADDITION TO DENYING, SUSPENDING, OR
13 REVOKING A LICENSE UNDER THIS SUBSECTION, THE BOARD MAY IMPOSE ON AN
14 APPLICANT OR LICENSE HOLDER A FINE NOT EXCEEDING \$20,000.

15 (K) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
17 1, 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.