

Department of Legislative Services  
Maryland General Assembly  
2017 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1338  
Economic Matters

(Delegate McKay, *et al.*)

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Alcoholic Beverages - Wholesalers - Payment on Delivery

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This bill authorizes a licensed alcoholic beverages wholesaler to accept any form of payment for the delivery of beer to a retail dealer, instead of only cash on delivery. The bill also clarifies that a licensed wholesaler may accept any form of payment for the delivery of wine and liquor to a retail dealer.

The bill takes effect July 1, 2017.

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Fiscal Summary

**State Effect:** The bill does not directly affect State operations or finances.

**Local Effect:** The bill does not directly affect local governmental operations or finances.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** In general, most Maryland jurisdictions authorize the sale of alcoholic beverages through a three-tier system in which retail alcoholic beverages licensees purchase alcoholic beverages from licensed Maryland wholesalers who purchase alcoholic beverages from licensed manufacturers and import companies.

When selling beer to a retail dealer, a wholesaler may only accept payment using cash on delivery. If a wholesaler accepts a form of payment other than cash on delivery for beer, a suit or civil action to enforce or collect a claim for credit extended or enforce payment of a check given for payment may not be maintained in the State. Additionally, a person who

violates this requirement may be guilty of a misdemeanor and, on conviction, is subject to imprisonment not exceeding two years, or a fine not exceeding \$1,000, or both.

**Background:** In fiscal 2016, there were 228 wholesaler licenses issued in the State. Of that total, 124 authorized the sale of beer.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Comptroller's Office; Department of Legislative Services

**Fiscal Note History:** First Reader - February 17, 2017  
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