

# HOUSE BILL 177

A2

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By: **Montgomery County Delegation**

Introduced and read first time: January 18, 2018

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County – Alcoholic Beverages – Food Sales Requirements and**  
3 **Hours and Days of Sale**

4 **MC 5–18**

5 FOR the purpose of repealing certain provisions of law that require a holder of a Class  
6 BD–BWL or Class D beer, wine, and liquor license in Montgomery County to  
7 maintain a certain ratio of gross receipts from the sale of food to gross receipts from  
8 the sale of alcoholic beverages during certain hours on certain days; altering the  
9 content of certain sworn statements of holders of certain licenses relating to the  
10 availability of certain food during certain hours; requiring the Montgomery County  
11 Board of License Commissioners to adopt certain regulations; repealing the  
12 authority of the Board to revoke certain alcoholic beverages licenses under certain  
13 circumstances; altering the hours and days of sale of a holder of a Class BD–BWL  
14 license; making a stylistic change; and generally relating to the sale of alcoholic  
15 beverages in Montgomery County.

16 BY repealing and reenacting, without amendments,  
17 Article – Alcoholic Beverages  
18 Section 25–102  
19 Annotated Code of Maryland  
20 (2016 Volume and 2017 Supplement)

21 BY repealing and reenacting, with amendments,  
22 Article – Alcoholic Beverages  
23 Section 25–903, 25–906, and 25–2005(f) and (i)  
24 Annotated Code of Maryland  
25 (2016 Volume and 2017 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



**Article – Alcoholic Beverages**

1 25–102.

2 This title applies only in Montgomery County.

3 25–903.

4 (a) There is a Class BD–BWL license.

5 (b) The license authorizes the license holder to sell:

6 (1) beer and wine for on– or off–premises consumption; and

7 (2) liquor for on–premises consumption.

8 (c) As a prerequisite for the initial issuance of the license, the owner of the  
9 establishment shall attest in a sworn statement that [gross receipts from food sales will be  
10 at least equal to 40% of the gross receipts from the sale of food and alcoholic beverages:  
11

12 (1) from 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday, Thursday,  
13 Friday, and Saturday; and

14 (2) from 10 a.m. to 9 p.m. on Sunday] **FOOD WILL BE AVAILABLE FOR  
15 SALE FOR ON–PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC  
16 BEVERAGES ARE PERMITTED TO BE SERVED.**

17 (d) As a prerequisite for each renewal of the license, the owner of the  
18 establishment shall attest in a sworn statement that [gross receipts from food sales for the  
19 12–month period immediately preceding the application for renewal have been at least  
20 equal to 40% of the gross receipts from the sale of food and alcoholic beverages:

21 (1) from 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday, Thursday,  
22 Friday, and Saturday; and

23 (2) from 10 a.m. to 9 p.m. on Sunday] **FOOD WILL BE AVAILABLE FOR  
24 SALE FOR ON–PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC  
25 BEVERAGES ARE PERMITTED TO BE SERVED.**

26 (e) (1) The Board by regulation shall provide for periodic inspection of the  
27 premises and [for audits to determine the ratio of gross receipts from the sale of food to  
28 gross receipts from the sale of alcoholic beverages] **SPECIFY THE TYPE OF FOOD THAT IS  
29 REQUIRED TO BE AVAILABLE FOR SALE FOR ON–PREMISES CONSUMPTION DURING  
30 THE HOURS THAT ALCOHOLIC BEVERAGES ARE PERMITTED TO BE SERVED.**

1           (2) Regulations adopted by the Board shall include a requirement of[:

2                   (i)] at least monthly physical inspections of the premises during the  
3 initial license year of any license holder[; and

4                   (ii) the submission by the license holder to the Board, during the  
5 initial license year, of monthly statements showing gross receipts from the sale of food and  
6 gross receipts from the sale of alcoholic beverages for the immediately preceding month.

7           (f) If a license holder during the initial license year fails to maintain the sales  
8 ratio requirement provided in this section for 3 consecutive months or, after the initial  
9 license year, for each license or calendar year, the Board may revoke the license.

10           (g) The Board may require a license holder to provide supporting data that the  
11 Board considers necessary to establish that the requirements of this section relating to the  
12 ratio of gross receipts from the sale of food to those from the sale of alcoholic beverages have  
13 been met].

14           **[(h)] (F)** A holder of a Class BD–BWL license:

15                   (1) may also hold a Class 7 micro–brewery license issued for a location in  
16 the county; but

17                   (2) may not hold more than one Class BD–BWL license.

18           **[(i)]** On 7 days of the week, the hours of sale are:

19                   (1) for on–premises consumption:

20                           (i) from 9 a.m. to 2 a.m. the following day, on Monday, Tuesday,  
21 Wednesday, and Thursday;

22                           (ii) from 9 a.m. to 3 a.m. the following day, on Friday and Saturday;

23                           (iii) from 10 a.m. to 3 a.m. the following day, on Sunday when the  
24 following day has been designated by the federal government as one of the following  
25 holidays:

26                                   1. Washington’s Birthday;

27                                   2. Memorial Day;

28                                   3. Independence Day;

29                                   4. Labor Day;

1 5. Veterans Day; or

2 6. Christmas; or

3 (iv) from 10 a.m. to 2 a.m. the following day, on a Sunday that is not  
4 referenced in item (iii) of this paragraph; and

5 (2) for off-premises consumption, from 6 a.m. to 1 a.m. the following day.]

6 [(j)] (G) The annual license fee is \$3,500.

7 25-906.

8 (a) There is a Class D beer, wine, and liquor license.

9 (b) The Board may issue the license to an owner of an establishment if:

10 (1) before the issuance of the license, the owner attests in a sworn  
11 statement that [gross receipts from food sales will be at least equal to 40% of the gross  
12 receipts from the sale of food and alcoholic beverages:

13 (i) from 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday,  
14 Thursday, Friday, and Saturday; and

15 (ii) from 10 a.m. to 9 p.m. on Sunday] **FOOD WILL BE AVAILABLE**  
16 **FOR SALE FOR ON-PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC**  
17 **BEVERAGES ARE PERMITTED TO BE SERVED;** and

18 (2) before each renewal of the license, the owner attests in a sworn  
19 statement that [the gross receipts from food sales for the 12 months immediately before the  
20 application for renewal have been at least equal to 40% of the gross receipts from the sale  
21 of food and alcoholic beverages:

22 (i) from 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday,  
23 Thursday, Friday, and Saturday; and

24 (ii) from 10 a.m. to 9 p.m. on Sunday] **FOOD WILL BE AVAILABLE**  
25 **FOR SALE FOR ON-PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC**  
26 **BEVERAGES ARE PERMITTED TO BE SERVED.**

27 (c) The license authorizes the license holder to sell beer, wine, and liquor for  
28 on-premises consumption.

29 (d) The Board shall adopt regulations:

30 (1) (I) to provide for[:

1 (i)] periodic inspection of the premises; and

2 (ii) [audits to determine the ratios of gross receipts from the sale of  
3 food to gross receipts from the sale of alcoholic beverages] **THAT SPECIFY THE TYPE OF**  
4 **FOOD THAT IS REQUIRED TO BE AVAILABLE FOR SALE FOR ON-PREMISES**  
5 **CONSUMPTION DURING THE HOURS THAT ALCOHOLIC BEVERAGES ARE PERMITTED**  
6 **TO BE SERVED;** and

7 (2) during the initial license year, to require[:

8 (i)] at least monthly physical inspections of the premises[; and

9 (ii) the license holder to submit to the Board monthly statements  
10 showing gross receipts from the sale of food and gross receipts from the sale of alcoholic  
11 beverages for the preceding month.

12 (e) (1) The Board may revoke the license if the license holder fails to maintain  
13 the ratio of gross receipts from the sale of food to gross receipts from the sale of alcoholic  
14 beverages required under this section:

15 (i) during the initial license year, for 3 consecutive months; or

16 (ii) after the initial license year, for each license or calendar year.

17 (2) The Board may require the license holder to provide supporting data as  
18 the Board considers necessary to establish that the license holder has met the requirements  
19 of this section relating to the ratio of gross receipts from the sale of food to gross receipts  
20 from the sale of alcoholic beverages].

21 [(f)] (E) The annual license fee is \$3,000.

22 25–2005.

23 (f) A holder of a Class BD–BWL beer, wine, and liquor license may sell beer, wine,  
24 and liquor:

25 (1) for on–premises consumption[, on Monday through Sunday, from 10  
26 a.m. to 2 a.m. the following day]:

27 (I) **ON MONDAY THROUGH THURSDAY, FROM 9 A.M. TO 2 A.M.**  
28 **THE FOLLOWING DAY;**

29 (II) **ON FRIDAY AND SATURDAY, FROM 9 A.M. TO 3 A.M. THE**  
30 **FOLLOWING DAY; AND**

1                   **(III) ON SUNDAY:**

2                                   **1. FROM 10 A.M. TO 2 A.M. THE FOLLOWING DAY; OR**

3                                   **2. FROM 10 A.M. TO 3 A.M. THE FOLLOWING DAY IF THE**  
4 **FEDERAL GOVERNMENT HAS DESIGNATED THE FOLLOWING DAY A PUBLIC HOLIDAY;**  
5 **and**

6                   (2) for off-premises consumption, on Monday through Sunday, from 6 a.m.  
7 to 1 a.m. the following day.

8           (i) (1) Subject to paragraph (2) of this subsection, a holder of a Class D beer,  
9 wine, and liquor license may sell beer, wine, and liquor:

10                   (i) on Monday through Thursday, from 9 a.m. to 2 a.m. the following  
11 day;

12                   (ii) on Friday and Saturday, from 9 a.m. to 3 a.m. the following day;  
13 and

14                   (iii) on Sunday:

15                                   1. from 10 a.m. to 2 a.m. the following day; or

16                                   2. from 10 a.m. to 3 a.m. the following day if the federal  
17 government has designated the following day as [Washington's Birthday, Memorial Day,  
18 Independence Day, Labor Day, or Christmas] **A PUBLIC HOLIDAY.**

19                   (2) The license holder shall sell or make available food for on-premises  
20 consumption during the hours that alcoholic beverages are permitted to be served.

21           **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July**  
22 **1, 2018.**