

HOUSE BILL 974

A2

11r2065

By: **Prince George's County Delegation**

Introduced and read first time: February 5, 2021

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 4, 2021

CHAPTER _____

1 AN ACT concerning

2 **Prince George's County – Alcoholic Beverages – License Sanctions and Sunday**
3 **Off-Sale Permits**

4 **PG ~~317-20~~ 317-21**

5 FOR the purpose of altering the alcoholic beverages licenses for which the Board of License
6 Commissioners for Prince George's County may issue a Sunday off-sale permit;
7 authorizing the Board to issue a Sunday off-sale permit to the holder of any Class A
8 alcoholic beverages license; authorizing the Board to issue a Sunday off-sale permit
9 to the holder of any Class B alcoholic beverages license with an off-sale privilege;
10 altering a certain reinvestment requirement for an applicant for a Sunday off-sale
11 permit; repealing the authorization for the Board to waive a certain reinvestment
12 requirement; altering the circumstances under which the Board is required to waive
13 a certain spending requirement for a Class B alcoholic beverages license with an
14 off-sale privilege; requiring the Board to impose a certain fine on a certain permit
15 holder under certain circumstances; providing that the holder of a Class B alcoholic
16 beverages license with a Sunday off-sale permit need not comply with certain
17 requirements; requiring the Board to adopt certain regulations; applying certain
18 annual fees to a Sunday off-sale permit issued to certain license holders; prohibiting
19 the Board from approving a license renewal for certain persons until a certain period
20 has elapsed after the date of a certain felony conviction; requiring the Board to
21 revoke a license if the license holder or a certain stockholder that uses the license is
22 convicted of a certain felony; providing that a license holder or an employee of a
23 license holder who violates a certain provision on underage service is guilty of a

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 misdemeanor and on conviction is subject to imprisonment or a fine or both;
2 requiring the Board to conduct a certain study and issue a certain report to the
3 Prince George's County Executive, the General Assembly, and a certain legislative
4 delegation on or before a certain date; and generally relating to alcoholic beverages
5 and permits in Prince George's County.

6 BY repealing and reenacting, without amendments,

7 Article – Alcoholic Beverages

8 Section 4–109(a)(9), (10), (12), and (14), 4–407, 6–304, 6–402, 26–102, 26–1408, and
9 26–1801(c)

10 Annotated Code of Maryland

11 (2016 Volume and 2020 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Alcoholic Beverages

14 Section 26–1104, 26–1806, 26–2102, and 26–2801

15 Annotated Code of Maryland

16 (2016 Volume and 2020 Supplement)

17 BY adding to

18 Article – Alcoholic Beverages

19 Section 26–2801.1

20 Annotated Code of Maryland

21 (2016 Volume and 2020 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

23 That the Laws of Maryland read as follows:

24 **Article – Alcoholic Beverages**

25 4–109.

26 (a) A license application shall state:

27 (9) that the applicant has never been convicted of a felony;

28 (10) whether the applicant has ever been found guilty of violating a law in
29 the State governing the sale of alcoholic beverages or the prevention of gambling;

30 (12) that the applicant has not had a license for the sale of alcoholic
31 beverages revoked;

32 (14) whether the applicant has been found guilty of violating a State or
33 federal law;

34 4–407.

1 (a) A local licensing board:

2 (1) may not renew a license if the board determines that the license holder
3 is not qualified to obtain a license renewal; but

4 (2) shall issue to the license holder by way of renewal the class or type of
5 license for which the board determines the license holder is qualified.

6 (b) (1) Subject to paragraph (2) of this subsection, a local licensing board shall
7 deny a license renewal application if during the license year the license holder was
8 convicted of a State or federal offense that, in the judgment of the board, renders the license
9 holder unfit or unqualified to obtain a renewed license.

10 (2) A local licensing board:

11 (i) shall hold a public hearing before renewing a license under the
12 circumstances described in paragraph (1) of this subsection; and

13 (ii) may inquire into all relevant facts and circumstances concerning
14 the offense at the hearing.

15 6-304.

16 A license holder or an employee of the license holder may not sell or provide alcoholic
17 beverages to an individual under the age of 21 years.

18 6-402.

19 (a) If a person violates this article and no penalty other than the suspension or
20 revocation of a license or permit is provided, the person is guilty of a misdemeanor and on
21 conviction is subject to imprisonment not exceeding 2 years or a fine not exceeding \$1,000
22 or both.

23 (b) If a court has imposed a penalty on an individual license holder who has
24 obtained a license for or on behalf of a corporation, a partnership, or an unincorporated
25 association:

26 (1) if the penalty is a fine, the corporation, partnership, or unincorporated
27 association also shall be liable for the payment of the fine; and

28 (2) if the penalty is imprisonment, the individual license holder shall be
29 liable to serve the term of imprisonment.

30 26-102.

31 This title applies only in Prince George's County.

1 26-1104.

2 (a) There is a Sunday off-sale permit.

3 (b) (1) (i) Subject to subsection (f) of this section and subparagraphs (ii)
4 and (iii) of this paragraph and except as provided in paragraph (2) of this subsection, the
5 Board may issue the permit to the holder of:

6 1. [a] ANY Class A [beer, wine, and liquor] license; or

7 2. [a] ANY Class B [beer, wine, and liquor] license with an
8 off-sale privilege.

9 (ii) Five Sunday off-sale permits may be issued only to holders of a
10 Class B beer, wine, and liquor license with an off-sale privilege that acquired the license
11 on or after January 1, 2016.

12 (iii) Sunday off-sale permits may be issued to holders of a Class A
13 beer, wine, and liquor license that acquired the license on or after January 1, 2016.

14 (2) The Board may not issue a Sunday off-sale permit to a license holder
15 that the Board finds to have sold liquor on Sunday without a Sunday off-sale permit.

16 (c) The permit authorizes the holder to sell alcoholic beverages for off-premises
17 consumption on Sunday from 8 a.m. to midnight.

18 (d) (1) Except as provided in paragraph (2) of this subsection, an applicant for
19 the permit shall commit in the application to ~~reinvesting~~ SPENDING a minimum of \$50,000
20 ~~in the business~~ TO REHABILITATE AND RENOVATE THE INTERIOR OR EXTERIOR OF
21 THE LICENSED PREMISES within 1 year after the permit is issued.

22 (2) ~~(i) The Board may waive the reinvestment requirement.~~

23 ~~(ii)~~ (ii) The Board shall waive the ~~reinvestment~~ SPENDING requirement
24 for a holder of a Class B beer, wine, and liquor license with an off-sale privilege that
25 acquired the license on or after January 1, 2016, if the holder can show THROUGH
26 RECEIPTS that a minimum of \$50,000 was ~~reinvested in the business~~ SPENT TO
27 REHABILITATE AND RENOVATE THE INTERIOR OR EXTERIOR OF THE LICENSED
28 PREMISES within the 3-year period immediately preceding the submission of the
29 application.

30 (3) The Board shall revoke the permit AND IMPOSE A FINE ON THE
31 PERMIT HOLDER NOT EXCEEDING \$5,000 if:

32 (i) the Board did not waive the ~~reinvestment~~ SPENDING
33 requirement under paragraph (2) of this subsection; and

1 (ii) the permit holder fails to ~~make~~ **SPEND** the **MONEY AS** required
2 ~~reinvestment~~, **EVIDENCED BY RECEIPTS FOR WORK DONE AND INSPECTIONS OF THE**
3 **LICENSED PREMISES.**

4 (e) If the permit is issued to the holder of a Class B [beer, wine, and liquor] license
5 with an off-sale privilege, the holder need not comply with any restaurant or food
6 requirement.

7 (f) Not more than 105 Sunday off-sale permits may be in effect at any one time.

8 **(G) THE BOARD SHALL ADOPT REGULATIONS TO IMPLEMENT THE**
9 **SPENDING REQUIREMENTS UNDER SUBSECTION (D) OF THIS SECTION.**

10 ~~(G)~~ **(H)** (1) The application fee for the permit is \$750.

11 (2) The annual fees for the permit are:

12 (i) \$2,590 for the holder of a Class A [beer, wine, and liquor] license;
13 and

14 (ii) \$1,080 for the holder of a Class B [beer, wine, and liquor] license
15 with an off-sale privilege.

16 (3) The fees listed in paragraphs (1) and (2) of this subsection are in
17 addition to the annual fee for the Class A [beer, wine, and liquor] license or Class B [beer,
18 wine, and liquor] license to which it is attached.

19 26-1408.

20 In addition to the statement required under § 4-109(a)(9) of this article, an applicant
21 for a license shall include a signed statement that if the application is made on behalf of a
22 corporation, that neither the applicant nor any of the stockholders of the corporation have
23 been convicted of a felony.

24 26-1801.

25 (c) The following sections of Title 4, Subtitle 4 (“Renewal of Local Licenses”) of
26 Division I of this article apply in the county:

27 (1) § 4-405 (“Contents of renewal application”), subject to § 26-1804 of this
28 subtitle;

29 (2) § 4-406 (“Protests”), subject to § 26-1803 of this subtitle; and

1 (3) § 4-407 (“Denial of renewal application”), subject to § 26-1806 of this
2 subtitle.

3 26-1806.

4 (a) **[The] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE**
5 Board may approve or deny a license renewal if the license holder or a stockholder of the
6 corporation that uses the license has been convicted of a felony.

7 (b) The Board:

8 (1) shall hold a public hearing before approving or denying the license
9 renewal; and

10 (2) may inquire into all relevant facts and circumstances concerning the
11 felony offense at the hearing.

12 **(C) IN THE CASE OF A CONVICTION FOR A FELONY THAT IS RELATED TO**
13 **OPERATIONS UNDER THE LICENSE, THE BOARD MAY NOT APPROVE A LICENSE**
14 **RENEWAL FOR A LICENSE HOLDER OR STOCKHOLDER OF A CORPORATION THAT**
15 **USES THE LICENSE UNTIL AT LEAST 10 YEARS HAVE ELAPSED AFTER THE DATE OF**
16 **THE FELONY CONVICTION.**

17 26-2102.

18 (a) In this section, “conviction” includes:

19 (1) a verdict or plea of guilty;

20 (2) the forfeiture of a bond or collateral accepted on a pending charge,
21 warrant, or indictment before a court; or

22 (3) the revocation or suspension of a license by the Board because of a
23 violation of this article or regulations adopted under this article.

24 (b) (1) **THE BOARD SHALL REVOKE A LICENSE IF A LICENSE HOLDER OR**
25 **A STOCKHOLDER OF A CORPORATION THAT USES THE LICENSE IS CONVICTED OF A**
26 **FELONY THAT IS RELATED TO OPERATIONS UNDER THE LICENSE.**

27 **(2)** The Board may revoke a license if:

28 (i) within 2 years a license holder is convicted twice for a violation
29 concerning an illegal sale of alcoholic beverages in or on the licensed premises on Sunday;
30 or

1 (ii) within 2 years there are two convictions of the same agent or
2 employee of a license holder for a violation concerning illegal sales of alcoholic beverages in
3 or on the licensed premises on Sunday.

4 ~~[(2)]~~ (3) The Board may revoke a license for:

5 (i) a felony conviction of a license holder or a stockholder of a
6 corporation having the use of a license; or

7 (ii) failure to comply with § 26–1613(c) of this title.

8 ~~[(3)]~~ (4) The Board may:

9 (i) allow a closing of the licensed premises for a reasonable period of
10 time; but

11 (ii) revoke the license for the closing of the licensed premises for
12 more than 30 days without the approval of the Board.

13 (c) The Board may suspend a license for at least 30 days for:

14 (1) a conviction of the license holder for a violation concerning an illegal
15 sale of alcoholic beverages in or on the licensed premises on Sunday; or

16 (2) two or more convictions of different agents or employees of a license
17 holder for a violation concerning an illegal sale of alcoholic beverages in or on the licensed
18 premises on Sunday.

19 (d) (1) If a license holder has not complied with the residency requirements
20 specified in § 4–103, § 4–104, or § 4–105 of this article or Subtitle 14 of this title, the Board
21 may revoke or suspend the license.

22 (2) The Board may revoke or suspend a license:

23 (i) for a conviction of the license holder for a violation of any State
24 law concerning gambling in or on the licensed premises; or

25 (ii) if, within 2 years, there are two convictions of one or more of the
26 agents or employees of a license holder for violations concerning gambling in or on the
27 licensed premises.

28 (3) The Board may revoke or suspend a license that has been issued or
29 transferred if the license has not been placed in operation after 6 months following the
30 issuance or transfer.

31 (e) The Board may revoke, suspend, or refuse to renew a license, or refuse to issue
32 a license to an applicant, if the license holder or applicant willfully failed or refused to pay

1 hotel/motel taxes due to the county within 60 days after the license holder or applicant
2 received the first notice of delinquency.

3 (f) Two or more violations against the same license holder, agent, or employee or
4 affecting the same premises occurring on the same day are considered one offense.

5 26–2801.

6 Section 6–402 (“General penalty”) of Division I of this article applies in the county,
7 **SUBJECT TO § 26–2801.1 OF THIS SUBTITLE.**

8 **26–2801.1.**

9 **IN ADDITION TO ANY ADMINISTRATIVE PENALTY THAT MAY APPLY, A LICENSE**
10 **HOLDER OR AN EMPLOYEE OF A LICENSE HOLDER WHO VIOLATES § 6–304 OF THIS**
11 **ARTICLE OR § 10–117 OF THE CRIMINAL LAW ARTICLE IS GUILTY OF A**
12 **MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT**
13 **EXCEEDING 4 YEARS OR A FINE NOT EXCEEDING \$2,000 OR BOTH.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That:

15 (a) On or before January 1, 2023, the Board of License Commissioners for Prince
16 George’s County shall conduct a study of Sunday off–sale permits to determine:

17 (1) how many permit holders failed to make the required reinvestment
18 under § 26–1104(d) of the Alcoholic Beverages Article, as enacted by Section 1 of this Act;
19 and

20 (2) how many times the reinvestment requirement was waived under §
21 26–1104(d)(2) of the Alcoholic Beverages Article, as enacted by Section 1 of this Act.

22 (b) On completion of the study under subsection (a) of this section, the Board shall
23 submit a report of its findings to the Prince George’s County Executive and, in accordance
24 with § 2–1257 of the State Government Article, the General Assembly and the Prince
25 George’s County House Delegation of the General Assembly.

26 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 July 1, 2021.