

HOUSE BILL 671

A2

2lr2130
CF SB 495

By: **Delegate Otto**

Introduced and read first time: January 31, 2022

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2022

CHAPTER _____

1 AN ACT concerning

2 **Somerset County – Alcoholic Beverages – Abolishment of Liquor Control Board**
3 **and Dispensary System**

4 FOR the purpose of establishing a Class A beer, wine, and liquor license in ~~the county~~
5 Somerset County; authorizing the Board of License Commissioners for Somerset
6 County to issue the license; abolishing the liquor control board and the alcoholic
7 beverages dispensary system in Somerset County; and generally relating to alcoholic
8 beverages in Somerset County.

9 BY repealing and reenacting, without amendments,
10 Article – Alcoholic Beverages
11 Section 29–102
12 Annotated Code of Maryland
13 (2016 Volume and 2021 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Alcoholic Beverages
16 Section 29–501, 29–901, 29–902, 29–1001 through 29–1003, and 29–2004
17 Annotated Code of Maryland
18 (2016 Volume and 2021 Supplement)

19 BY repealing
20 Article – Alcoholic Beverages
21 Section 29–301 through 29–311 and the subtitle “Subtitle 3. Liquor Control Board”;
22 and 29–504

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 Annotated Code of Maryland
2 (2016 Volume and 2021 Supplement)

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

5 **Article – Alcoholic Beverages**

6 29–102.

7 This title applies only in Somerset County.

8 29–501.

9 [(a)] The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
10 Division I of this article apply in the county without exception or variation:

11 (1) § 2–301 (“Licenses issued by Comptroller”);

12 (2) § 2–302 (“CLASS 1 BEER, WINE, AND LIQUOR WHOLESALER’S
13 LICENSE”);

14 (3) § 2–303 (“CLASS 2 WINE AND LIQUOR WHOLESALER’S LICENSE”);

15 [(2)] (4) § 2–304 (“Class 3 beer and wine wholesaler’s license”);

16 [(3)] (5) § 2–305 (“Class 4 beer wholesaler’s license”);

17 [(4)] (6) § 2–306 (“Class 5 wine wholesaler’s license”);

18 [(5)] (7) § 2–307 (“Class 6 limited wine wholesaler’s license”);

19 [(6)] (8) § 2–308 (“Class 7 limited beer wholesaler’s license”);

20 [(7)] (9) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s
21 vehicle”);

22 [(8)] (10) § 2–310 (“Sale and delivery to retail license holder”);

23 [(9)] (11) § 2–311 (“Additional wholesaler’s licenses”);

24 [(10)] (12) § 2–312 (“Direct importation of alcoholic beverages”);

25 [(11)] (13) § 2–313 (“Sale or delivery restricted to holder of license or
26 permit”);

1 [(12)] (14) § 2–314 (“Beer sale on credit to retail dealer prohibited”);

2 [(13)] (15) § 2–315 (“Interaction between wholesaling entities and
3 retailers”);

4 [(14)] (16) § 2–316 (“Distribution of alcoholic beverages — Prohibited
5 practices”); and

6 [(15)] (17) § 2–317 (“Restrictive agreements between wholesalers and
7 retailers — Prohibited”).

8 [(b) The following sections of Title 2, Subtitle 3 (“Wholesaler’s Licenses”) of
9 Division I of this article apply in the county, subject to § 29–504 of this subtitle:

10 (1) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”); and

11 (2) § 2–303 (“Class 2 wine and liquor wholesaler’s license”).]

12 [29–504.

13 A holder of a Class 1 beer, wine, and liquor or Class 2 wine and liquor wholesaler’s
14 license may not sell or deliver liquor in the county for resale except to a county dispensary.]

15 29–901.

16 (A) [A] **THERE IS A Class A beer, wine, and liquor license [may not be issued in
17 the county].**

18 (B) (1) **THE LICENSE AUTHORIZES THE LICENSE HOLDER TO SELL BEER,
19 WINE, AND LIQUOR AT RETAIL TO CONSUMERS AT THE PLACE DESCRIBED IN THE
20 LICENSE.**

21 (2) **A LICENSE MAY NOT BE ISSUED FOR A PREMISES HAVING A
22 DIRECT OR INDIRECT CONNECTION WITH A DRUG OR PHARMACEUTICAL
23 DISPENSING BUSINESS OR OTHER BUSINESS ESTABLISHMENT OF A TYPE COMMONLY
24 KNOWN AS A DRUGSTORE.**

25 (3) **THE LICENSE HOLDER SHALL SELL THE BEER, WINE, AND LIQUOR
26 IN A SEALED PACKAGE OR CONTAINER.**

27 (4) **THE PACKAGE OR CONTAINER MAY NOT BE OPENED AND ITS
28 CONTENTS MAY NOT BE CONSUMED ON THE PREMISES WHERE THE BEER, WINE, OR
29 LIQUOR WAS SOLD.**

30 (C) **THE ANNUAL LICENSE FEE IS \$5,000.**

1 29-902.

2 (a) There is a Class B beer, wine, and liquor license.

3 (b) The Board may issue the license for use at a hotel or motel that:

4 (1) accommodates the public, providing services ordinarily found in a hotel
5 or motel;

6 (2) has a lobby with registration, mail desk, and seating facilities; and

7 (3) maintains at least:

8 (i) 10 rooms for occupancy by guests if the hotel was in operation on
9 June 1, 1967; or

10 (ii) 20 rooms for occupancy by guests if the hotel started operations
11 after June 1, 1967, with the hotel facilities assessed for State and county taxation at an
12 amount that is at least \$45,000.

13 (c) The Board may issue the license for use at a restaurant that:

14 (1) serves full-course meals at least twice daily;

15 (2) exclusive of bar seating or counter seating, has table seating for at least
16 50 individuals; and

17 (3) for the 12 months immediately before the application for the license,
18 has daily average receipts from the sale of food that exceed the daily average receipts from
19 the sale of alcoholic beverages.

20 (d) The license authorizes the license holder to sell at retail at the place described
21 in the license:

22 (1) beer, wine, and liquor for on-premises consumption; and

23 (2) beer for off-premises consumption.

24 [(e) The license holder:

25 (1) shall purchase all wine and liquor from the Liquor Control Board; and

26 (2) shall be charged:

27 (i) the invoice price to the Liquor Control Board;

1 (ii) freight charges; and

2 (iii) an amount not more than 20% of the aggregate invoice price and
3 freight charges.]

4 **[(f)] (E)** The annual license fee is \$1,265.

5 29–1001.

6 (a) There is a Class C (fraternal or sororal organization) beer, wine, and liquor
7 license.

8 (b) The Board may issue the license for use by a lodge or chapter of a nonprofit
9 and nationwide fraternal or sororal organization that:

10 (1) is composed of inducted members;

11 (2) was operating in the county for at least 1 year before the license
12 application was made;

13 (3) has at least 25 members paying dues of at least \$15 per year per
14 member; and

15 (4) owns or operates a home or clubhouse that is principally for the use of
16 its members and guests when accompanied by members.

17 (c) The license authorizes the license holder to sell beer, wine, and liquor at retail
18 at the place described in the license for on–premises consumption.

19 **[(d)] (1)** The license holder shall purchase from the Liquor Control Board all
20 wine and liquor sold by the license holder.

21 (2) The Liquor Control Board shall charge the license holder the total of:

22 (i) the invoice price charged to the Liquor Control Board;

23 (ii) freight charges; and

24 (iii) an amount not exceeding 20% of the aggregate of the invoice price
25 and freight charges.]

26 **[(e)] (D)** The license holder may sell beer, wine, and liquor during the hours and
27 days as set out for a Class C beer, wine, and liquor license under § 29–2004 of this title.

28 **[(f)] (E)** The annual license fee is \$316.

1 29–1002.

2 (a) There is a Class C (veterans' organization or club) beer, wine, and liquor
3 license.

4 (b) The Board may issue the license for use by a local unit of a nationwide
5 nonprofit veterans' organization or club that:

6 (1) is composed only of members who served in the armed forces of the
7 United States in a war in which the United States has been engaged;

8 (2) has held a charter from the national veterans' organization or club for
9 at least 1 year before the license application was made;

10 (3) has at least 35 members paying dues of at least \$4 per year per member;
11 and

12 (4) owns or operates a home or clubhouse that is only for the use of its
13 members and guests when accompanied by members.

14 (c) The license authorizes the license holder to sell beer, wine, and liquor at retail
15 at the place described in the license for on–premises consumption.

16 [(d) (1) The license holder shall purchase from the Liquor Control Board all
17 wine and liquor sold by the license holder.

18 (2) The Liquor Control Board shall charge the license holder the total of:

19 (i) the invoice price charged to the Liquor Control Board;

20 (ii) freight charges; and

21 (iii) an amount not exceeding 20% of the aggregate of the invoice price
22 and freight charges.]

23 [(e) (D) The license holder may sell beer, wine, and liquor during the hours and
24 days as set out for a Class C beer, wine, and liquor license under § 29–2004 of this title.

25 [(f) (E) The annual license fee is \$316.

26 29–1003.

27 (a) There is a Class C (yacht or country and golf club) beer, wine, and liquor
28 license.

29 (b) The Board may issue the license for use by a club that:

1 (1) has at least 30 members paying dues of at least \$20 per year per adult
2 member; and

3 (2) owns and operates a clubhouse on premises that are principally used
4 for its members.

5 (c) The license authorizes the license holder to sell beer, wine, and liquor at retail
6 at the place described in the license for on-premises consumption.

7 [(d) (1) The license holder shall purchase from the Liquor Control Board all
8 wine and liquor sold by the license holder.

9 (2) The Liquor Control Board shall charge the license holder the total of:

10 (i) the invoice price charged to the Liquor Control Board;

11 (ii) freight charges; and

12 (iii) an amount not exceeding 20% of the aggregate of the invoice price
13 and freight charges.]

14 [(e) (D) The license holder may sell beer, wine, and liquor during the hours and
15 days as set out for a Class C beer, wine, and liquor license under § 29–2004 of this title.

16 [(f) (E) The annual license fee is \$316.

17 29–2004.

18 (A) A HOLDER OF A CLASS A BEER, WINE, AND LIQUOR LICENSE MAY SELL
19 BEER, WINE, AND LIQUOR:

20 (1) ON MONDAY THROUGH SATURDAY, FROM 6 A.M. TO 2 A.M. THE
21 FOLLOWING DAY; AND

22 (2) ON SUNDAY, FROM 8 A.M. TO 2 A.M. THE FOLLOWING DAY.

23 (b) (1) Except as provided in paragraph (2) of this subsection, a holder of a
24 Class B beer, wine, and liquor (on-sale) license may sell beer, wine, and liquor:

25 (i) on Monday through Saturday, from 6 a.m. to 2 a.m. the following
26 day; and

27 (ii) on Sunday, from 12:30 p.m. to midnight if food is available for
28 purchase on the premises.

1 (2) The license holder may not sell beer, wine, or liquor at a bar or counter
2 on Sunday.

3 (c) (1) Except as provided in paragraph (2) of this subsection, a holder of a
4 Class C beer, wine, and liquor (on-sale) license may sell beer, wine, and liquor:

5 (i) on Monday through Saturday, from 6 a.m. to 2 a.m. the following
6 day; and

7 (ii) on Sunday, from 12:30 p.m. to midnight if food is available for
8 purchase on the premises.

9 (2) The license holder may not sell beer, wine, or liquor at a bar or counter
10 on Sunday.

11 (d) A holder of a Class D beer, wine, and liquor license may sell beer, wine, and
12 liquor:

13 (1) on Monday, from 8 a.m. to 2 a.m. the following day; and

14 (2) on Tuesday through Saturday, from 6 a.m. to 2 a.m. the following day.

15 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 29–301 through
16 29–311 and the subtitle “Subtitle 3. Liquor Control Board” of Article – Alcoholic Beverages
17 of the Annotated Code of Maryland be repealed.

18 SECTION 3. AND BE IT FURTHER ENACTED, That:

19 (a) Any reserve funds of the Liquor Control Board for Somerset County shall be
20 distributed and deposited into the general fund of Somerset County.

21 (b) The title to all real and personal property, money in banks, credits, accounts
22 receivable, equipment, stock-in-trade, leases, franchises, contracts, records, files,
23 furniture, fixtures, and other properties and all appropriations, credits, assets, liabilities,
24 contracts, and obligations of the Liquor Control Board are continued as the title to all real
25 and personal property, money in banks, credits, accounts receivable, equipment,
26 stock-in-trade, leases, franchises, contracts, records, files, furniture, fixtures, and other
27 properties and all appropriations, credits, assets, liabilities, contracts, and obligations of
28 Somerset County.

29 SECTION 4. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this Act
30 shall take effect January 1, 2023.

31 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section
32 4 of this Act, this Act shall take effect July 1, 2022.