

HOUSE BILL 1033

A2

6lr0541
CF 6lr1798

By: **Montgomery County Delegation**

Introduced and read first time: February 11, 2016

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County – Purchases From the Department of Liquor Control –**
3 **Exception for Wholesalers**

4 **MC 7–16**

5 FOR the purpose of providing that Montgomery County may authorize a certain private
6 licensed wholesaler to sell and distribute certain beer and wine products not
7 purchased from the Department of Liquor Control for Montgomery County;
8 providing that Montgomery County may authorize the Department to classify
9 certain beer and wine products that a private licensed wholesaler may sell and
10 distribute; requiring the Department to establish by order of the County Executive
11 a certain surcharge to be paid by a private licensed wholesaler under certain
12 circumstances; and generally relating to alcoholic beverages in Montgomery County.

13 BY repealing and reenacting, with amendments,

14 Article – Alcoholic Beverages

15 Section 25–307

16 Annotated Code of Maryland

17 (As enacted by Chapter ___ (S.B. ___)(6lr1406) of the Acts of the General
18 Assembly of 2016)

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

21 **Article – Alcoholic Beverages**

22 25–307.

23 (a) This section does not apply to a holder of a Class F license.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) (1) Except as provided in paragraphs (2) through [(8)] (9) of this
2 subsection:

3 (i) the Department has a monopoly on the wholesale distribution of
4 beer, wine, and liquor and retail distribution of off-sale liquor in the County, subject to §
5 1-309 of this article; and

6 (ii) a person may sell only alcoholic beverages that are purchased
7 from the Department.

8 (2) The holders of the following wholesaler's licenses may sell or deliver
9 alcoholic beverages for resale to a dispensary:

10 (i) a Class 1 beer, wine, and liquor license;

11 (ii) a Class 2 wine and liquor license;

12 (iii) a Class 3 beer and wine license;

13 (iv) a Class 4 beer license; or

14 (v) a Class 5 wine license.

15 (3) The holder of a Class 6 limited wine wholesaler's license or nonresident
16 winery permit may sell or deliver wine directly to a dispensary, restaurant, or other retail
17 dealer in the County.

18 (4) The holder of a Class 7 limited beer wholesaler's license or nonresident
19 brewery permit may sell or deliver its own beer to a dispensary, restaurant, or other retail
20 dealer in the County.

21 (5) A holder of a direct wine shipper's permit may ship wine directly to a
22 consumer in the County.

23 (6) A dispensary, restaurant, or other retail dealer in the County may
24 purchase wine directly from a holder of a Class 6 limited wine wholesaler's license or of a
25 nonresident winery permit.

26 (7) A dispensary, restaurant, or other retail dealer in the County may
27 purchase beer directly from a holder of a Class 7 limited beer wholesaler's license or of a
28 nonresident brewery permit.

29 (8) A holder of a charity wine auction permit in the County may receive
30 and sell wine obtained from any source listed under § 2-137 of this article.

31 (9) **THE GOVERNING BODY OF THE COUNTY MAY AUTHORIZE:**

1 **(I) A LICENSED WHOLESALER WHO HOLDS THE APPROPRIATE**
2 **CLASS OF WHOLESALER'S LICENSE TO SELL AND DISTRIBUTE BEER AND WINE**
3 **PRODUCTS AS AUTHORIZED UNDER THE CLASS OF WHOLESALER'S LICENSE NOT**
4 **PURCHASED FROM THE DEPARTMENT; AND**

5 **(II) THE DEPARTMENT TO CLASSIFY THE BEER AND WINE**
6 **PRODUCTS THAT A LICENSED WHOLESALER MAY SELL AND DISTRIBUTE UNDER**
7 **ITEM (I) OF THIS PARAGRAPH.**

8 **(10) IF THE GOVERNING BODY OF THE COUNTY AUTHORIZES A**
9 **LICENSED WHOLESALER TO SELL AND DISTRIBUTE BEER AND WINE PRODUCTS AS**
10 **PROVIDED UNDER PARAGRAPH (9)(I) OF THIS SUBSECTION, THE DEPARTMENT**
11 **SHALL ESTABLISH A SURCHARGE TO BE PAID BY A LICENSED WHOLESALER THAT IS:**

12 **(I) BASED ON THE VOLUME OF ALCOHOL SOLD BY THE**
13 **LICENSED WHOLESALER;**

14 **(II) SET AT A LEVEL SUFFICIENT TO REPLACE THE**
15 **DEPARTMENT'S ESTIMATED REVENUE LOST BY ALLOWING LICENSED**
16 **WHOLESALERS TO SELL AND DISTRIBUTE BEER AND WINE PRODUCTS CLASSIFIED**
17 **UNDER PARAGRAPH (9)(II) OF THIS SUBSECTION;**

18 **(III) STRUCTURED IN A WAY THAT DOES NOT IMPACT PRICES IN**
19 **OTHER JURISDICTIONS IN THE STATE; AND**

20 **(IV) ESTABLISHED BY ORDER OF THE COUNTY EXECUTIVE.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2016.