

SENATE BILL 495

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By: **Senator Carozza**

Introduced and read first time: January 27, 2022

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

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 authorizing the Board of License Commissioners for Somerset County to issue the
6 license; abolishing the liquor control board and the alcoholic beverages dispensary
7 system in Somerset County; and generally relating to alcoholic beverages in
8 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
23 Annotated Code of Maryland
24 (2016 Volume and 2021 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Alcoholic Beverages

1
2 29–102.

3 This title applies only in Somerset County.

4 29–501.

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

7 (1) § 2–301 (“Licenses issued by Comptroller”);

8 (2) § 2–302 (“CLASS 1 BEER, WINE, AND LIQUOR WHOLESALER’S
9 LICENSE”);

10 (3) § 2–303 (“CLASS 2 WINE AND LIQUOR WHOLESALER’S LICENSE”);

11 [(2)] (4) § 2–304 (“Class 3 beer and wine wholesaler’s license”);

12 [(3)] (5) § 2–305 (“Class 4 beer wholesaler’s license”);

13 [(4)] (6) § 2–306 (“Class 5 wine wholesaler’s license”);

14 [(5)] (7) § 2–307 (“Class 6 limited wine wholesaler’s license”);

15 [(6)] (8) § 2–308 (“Class 7 limited beer wholesaler’s license”);

16 [(7)] (9) § 2–309 (“Sale and delivery of beer or wine from wholesaler’s
17 vehicle”);

18 [(8)] (10) § 2–310 (“Sale and delivery to retail license holder”);

19 [(9)] (11) § 2–311 (“Additional wholesaler’s licenses”);

20 [(10)] (12) § 2–312 (“Direct importation of alcoholic beverages”);

21 [(11)] (13) § 2–313 (“Sale or delivery restricted to holder of license or
22 permit”);

23 [(12)] (14) § 2–314 (“Beer sale on credit to retail dealer prohibited”);

24 [(13)] (15) § 2–315 (“Interaction between wholesaling entities and
25 retailers”);

1 [(14)] (16) § 2–316 (“Distribution of alcoholic beverages — Prohibited
2 practices”); and

3 [(15)] (17) § 2–317 (“Restrictive agreements between wholesalers and
4 retailers — Prohibited”).

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

7 (1) § 2–302 (“Class 1 beer, wine, and liquor wholesaler’s license”); and

8 (2) § 2–303 (“Class 2 wine and liquor wholesaler’s license”).]

9 [29–504.

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

12 29–901.

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

15 (B) (1) THE LICENSE AUTHORIZES THE LICENSE HOLDER TO SELL BEER,
16 WINE, AND LIQUOR AT RETAIL TO CONSUMERS AT THE PLACE DESCRIBED IN THE
17 LICENSE.

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

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

24 (4) THE PACKAGE OR CONTAINER MAY NOT BE OPENED AND ITS
25 CONTENTS MAY NOT BE CONSUMED ON THE PREMISES WHERE THE BEER, WINE, OR
26 LIQUOR WAS SOLD.

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

28 29–902.

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

- 1 (b) The Board may issue the license for use at a hotel or motel that:
- 2 (1) accommodates the public, providing services ordinarily found in a hotel
3 or motel;
- 4 (2) has a lobby with registration, mail desk, and seating facilities; and
- 5 (3) maintains at least:
- 6 (i) 10 rooms for occupancy by guests if the hotel was in operation on
7 June 1, 1967; or
- 8 (ii) 20 rooms for occupancy by guests if the hotel started operations
9 after June 1, 1967, with the hotel facilities assessed for State and county taxation at an
10 amount that is at least \$45,000.
- 11 (c) The Board may issue the license for use at a restaurant that:
- 12 (1) serves full-course meals at least twice daily;
- 13 (2) exclusive of bar seating or counter seating, has table seating for at least
14 50 individuals; and
- 15 (3) for the 12 months immediately before the application for the license,
16 has daily average receipts from the sale of food that exceed the daily average receipts from
17 the sale of alcoholic beverages.
- 18 (d) The license authorizes the license holder to sell at retail at the place described
19 in the license:
- 20 (1) beer, wine, and liquor for on-premises consumption; and
- 21 (2) beer for off-premises consumption.
- 22 [(e) The license holder:
- 23 (1) shall purchase all wine and liquor from the Liquor Control Board; and
- 24 (2) shall be charged:
- 25 (i) the invoice price to the Liquor Control Board;
- 26 (ii) freight charges; and
- 27 (iii) an amount not more than 20% of the aggregate invoice price and
28 freight charges.]

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

2 29–1001.

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

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

7 (1) is composed of inducted members;

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

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

12 (4) owns or operates a home or clubhouse that is principally for the use of
13 its 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 29–1002.

27 (a) There is a Class C (veterans’ organization or club) beer, wine, and liquor
28 license.

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

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

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

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

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

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

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

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

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

17 (ii) freight charges; and

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

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

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

23 29-1003.

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

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

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

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

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

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

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

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

7 (ii) freight charges; and

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

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

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

13 29–2004.

14 (A) A HOLDER OF A CLASS A BEER, WINE, AND LIQUOR LICENSE MAY SELL
15 BEER, WINE, AND LIQUOR:

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

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

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

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

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

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

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

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

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

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

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

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

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

11 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 29–301 through
12 29–311 and the subtitle “Subtitle 3. Liquor Control Board” of Article – Alcoholic Beverages
13 of the Annotated Code of Maryland be repealed.

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

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

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

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

27 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section
28 4 of this Act, this Act shall take effect July 1, 2022.