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By: Montgomery County Delegation

A BILL ENTITLED

1 AN ACT concerning

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Montgomery County - Department of Liquor Control - Renaming

3 MC 2–19

FOR the purpose of renaming the Department of Liquor Control for Montgomery County 4 to be the Alcohol Beverage Services for Montgomery County; specifying that the 5 6 Alcohol Beverage Services is the successor to the Department of Liquor Control; 7 specifying that in certain documents the name "Department of Liquor Control" 8 means "Alcohol Beverage Services"; providing for the continuity of certain terms of 9 office of certain individuals; providing for the continuity of transactions and 10 employment status affected by certain changes of nomenclature or certain statutes; 11 providing for the continuity of certain units, properties, appropriations, credits, 12 assets, liabilities, and obligations; requiring the publisher of the Annotated Code of Maryland, in consultation with the Department of Legislative Services, to make 13 14 certain corrections in a certain manner; and generally relating to the renaming of the Department of Liquor Control for Montgomery County. 15

BY repealing and reenacting, with amendments,

17 Article – Alcoholic Beverages

18 Section 1–309 and 25–202(c)(3); 25–301 through 25–312 to be under the amended

subtitle "Subtitle 3. Alcohol Beverage Services"; and 25–402,

20 25-404, 25-405(d), 25-1005(c), 25-1007(d), 25-1011.1(e), 25-1201(e),

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1	25–1302, and 25–1905
2	Annotated Code of Maryland
3	(2016 Volume and 2018 Supplement)
4	BY repealing and reenacting, without amendments,
5	Article – Alcoholic Beverages
6	Section 25–102
7	Annotated Code of Maryland
8	(2016 Volume and 2018 Supplement)
9	BY repealing and reenacting, with amendments,
10	Article – Courts and Judicial Proceedings
11	Section 5–504
12	Annotated Code of Maryland
13	(2013 Replacement Volume and 2018 Supplement)
14	BY repealing and reenacting, without amendments,
15	Article - Tax - General
16	Section 5–101(a)
17	Annotated Code of Maryland
18	(2016 Replacement Volume and 2018 Supplement)
19	BY repealing and reenacting, with amendments,
20	Article – Tax – General
21	Section 5–101(l) and (n)
22	Annotated Code of Maryland
23	(2016 Replacement Volume and 2018 Supplement)
24	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND
25	That the Laws of Maryland read as follows:
26	Article - Alcoholic Beverages
27	1–309.
28 29	The Comptroller shall enforce the provisions of this article and provisions of the Tax – General Article relating to alcoholic beverages applicable to:
29	- General Article relating to alcoholic beverages applicable to:

25 - 302.

1 (1) the purchase or importation of alcoholic beverages by a department of 2 liquor control [or], a liquor control board, OR THE ALCOHOL BEVERAGE SERVICES FOR 3 MONTGOMERY COUNTY; and 4 the sale of alcoholic beverages to a wholesaler or retail dealer by a (2)department of liquor control [or], a liquor control board, OR THE ALCOHOL BEVERAGE 5 SERVICES FOR MONTGOMERY COUNTY. 6 7 25-102.8 This title applies only in Montgomery County. 25-202. 9 10 Subject to the Montgomery County public ethics law and (c) (3)(i) 11 subparagraph (ii) of this paragraph, a member of the Board may be an employee of the federal, State, or local government. 12 13 A member of the Board may not be an employee of the County (ii) [Department of Liquor Control] ALCOHOL BEVERAGE SERVICES. 14 Subtitle 3. [Department of Liquor Control] ALCOHOL BEVERAGE SERVICES. 15 25-301. 16 In this subtitle the following words have the meanings indicated. 17 (a) (b) "Department" means the County Department of Liquor Control. 18 "Director" means the Director of the [Department] SERVICES. 19 [(c)] **(B)** 20 "Dispensary" means a store established and maintained by the [(d)] (C) 21[Department] **SERVICES** for the sale of alcoholic beverages. 22 (D) "SERVICES" MEANS THE COUNTY ALCOHOL BEVERAGE SERVICES.

$\frac{1}{2}$	There is [a Department of Liquor Control] THE ALCOHOL BEVERAGE SERVICES in the county government, which functions as a liquor control board.
3	25–303.
4 5 6	(a) There is a Director of the [Department] SERVICES, who shall be the chief administrative officer of and exercise general supervision over the [Department] SERVICES.
7 8	(b) The County Executive shall appoint the Director with the consent of the County Council.
9	(c) The County Executive shall determine the qualifications of the Director.
10	(d) The Director:
11	(1) serves at the pleasure of the County Executive; and
12	(2) shall devote full time to the duties of the [Department] SERVICES.
13 14	(e) The County Executive shall set the salary of the Director with the approval of the County Council.
15	25–304.
16 17 18	(a) (1) With the approval of the County Executive, the Director may appoint employees necessary to operate the dispensary system, set employee compensation, and require a bond for the faithful performance of employee duties.
19 20 21	(2) Except for the Director, each [Department] SERVICES employee shall be appointed and employed in accordance with regulations of the Merit System Protection Board.
22 23	(b) The Office of the County Attorney shall provide legal services to the [Department] SERVICES.
24	25–305.

1 2 3	(a) A member of the County Council or the County Executive may not have a direct or indirect financial interest in the sale, manufacture, blending, brewing, distilling, rectifying, or wholesaling of any alcoholic beverage purchased or sold under this article.
$\frac{4}{5}$	(b) Except as provided in subsection (c) of this section, an employee of the [Department] SERVICES may not:
6	(1) have a direct or indirect financial interest in the sale, manufacture,
7 8	blending, brewing, distilling, rectifying, or wholesaling of any alcoholic beverage purchased or sold under this article;
9	(2) have an interest in a license;
10 11 12	(3) directly or indirectly solicit or receive any fee, commission, gratuity, emolument, remuneration, reward, present, or alcoholic beverage sample, and any other consideration from:
13 14	(i) a person who sells, manufactures, blends, brews, distills, rectifies, wholesales, or distributes alcoholic beverages; or
15	(ii) a license holder; or
16 17 18	(4) derive any profit or remuneration from the purchase or sale of alcoholic beverages other than the salary paid by the county for the discharge of the employee's duties.
19 20 21	(c) Subject to the County Public Ethics Law, the [Department] SERVICES may allow a [Departmental] SERVICES employee to be employed by a license holder if the employment directly relates to the performing arts.
22 23 24 25	(d) (1) Except as provided in subsection (e) of this section, a person listed in paragraph (2) of this subsection may not directly or indirectly offer, pay, or give a fee, reward, present, commission, gift, or sample of alcoholic beverages to an employee of the [Department] SERVICES, a member of the County Council, or the County Executive.
26	(2) This subsection applies to:
27	(i) a license holder or an employee of a license holder; or

1	(ii) a person or an agent or employee of a person engaged in the
2	manufacture, sale, blending, brewing, distilling, rectifying, wholesaling, or distribution of
3	alcoholic beverages.
4	(e) (1) This section does not prohibit a manufacturer, brewer, wholesaler, or
5	dealer that sells or attempts to sell alcoholic beverages to the [Department] SERVICES
6	from providing samples of alcoholic beverages to the [Department] SERVICES.
7	(2) A person that provides samples of alcoholic beverages to the
8	[Department] SERVICES shall obtain a receipt, signed by the Director, stating in detail
9	the amount and a description of the samples.
10	(3) When received, samples of alcoholic beverages provided under this
11	subsection shall be inventoried and sold in the same manner as other beverages that the
12	[Department] SERVICES purchases.
13	(f) A person that violates this section is guilty of a misdemeanor and on conviction
14	is subject to imprisonment not exceeding 12 years or a fine not exceeding \$5,000 or both.
15	25–306.
16	(a) There is an Advisory Board in the [Department] SERVICES.
17	(b) The Advisory Board consists of the following eight members:
18	(1) the Director;
19	(2) the Director of the County Department of Police;
20	(3) the Chair of the Board of License Commissioners; and
21 22	(4) five members who are county residents appointed by the County
44	Executive with the consent of the County Council.
23	(c) Of the members of the Advisory Board appointed under subsection (b)(4) of
24	this section:

1 only one shall be a holder of a Class B or a Class C beer, wine, and liquor (1) 2 license in the county; and 3 (2) only one shall be a holder of a license of any other class in the county. 4 (d) This subsection applies to members of the Advisory Board appointed (1)under subsection (b)(4) of this section. 5 6 (2) The term of a member is 4 years. 7 A member appointed after a term has begun serves only for the (3)8 remainder of the term. 9 **(4)** The terms of the members are staggered as required by the terms 10 provided for members on July 1, 2016. 11 (e) With the consent of the County Council, the County Executive may remove a 12 member whom the County Executive appointed to the Advisory Board. The Advisory Board shall report at least quarterly to the County Executive on 13 (f) recommendations for the improvement of: 14 15 the alcoholic beverages control and enforcement activities of the county; (1) 16 and the operations of the dispensary and distribution systems from the 17 (2)standpoint of efficiency, service provided, and convenience to the public. 18 19 A member of the Advisory Board: (g) 20 (1) may not receive compensation; but 21(2)is entitled to necessary expenses in connection with the performance of 22the duties of the Advisory Board. 23 25 - 307.This section does not apply to a holder of a Class F license. 24(a)

consumer in the county.

1	(b)	(1)	Exce	pt as provided in paragraphs (2) through (8) of this subsection:
2 3 4				the [Department] SERVICES has a monopoly on the wholesale e, and liquor and retail distribution of off—sale liquor in the county, s article; and
5 6	from the [D)epartı	(ii) ment] \$	a person may sell only alcoholic beverages that are purchased SERVICES.
7 8	alcoholic be	(2)		holders of the following wholesaler's licenses may sell or deliver esale to a dispensary:
9			(i)	a Class 1 beer, wine, and liquor license;
10			(ii)	a Class 2 wine and liquor license;
11			(iii)	a Class 3 beer and wine license;
12			(iv)	a Class 4 beer license; or
13			(v)	a Class 5 wine license.
14 15 16	winery peridealer in th		y sell	holder of a Class 6 limited wine wholesaler's license or nonresident or deliver wine directly to a dispensary, restaurant, or other retail
17 18 19	brewery pe		ay sell	holder of a Class 7 limited beer wholesaler's license or nonresident or deliver its own beer to a dispensary, restaurant, or other retail
20 21 22			may se	holder of a Class 8 liquor wholesaler's license or nonresident ell or deliver its own liquor to a dispensary, restaurant, or other to sell liquor in the county.
23		(6)	A ho	lder of a direct wine shipper's permit may ship wine directly to a

- 1 (7) A dispensary, restaurant, or other retail dealer in the county may purchase wine directly from a holder of a Class 6 limited wine wholesaler's license or of a nonresident winery permit.
- 4 (8) A dispensary, restaurant, or other retail dealer in the county may 5 purchase beer directly from a holder of a Class 7 limited beer wholesaler's license or of a 6 nonresident brewery permit.
- 7 (9) A dispensary, restaurant, or other retail dealer authorized to sell liquor 8 in the county may purchase liquor directly from a holder of a Class 8 liquor wholesaler's 9 license or of a nonresident distillery permit.
- 10 (10) A holder of a charity wine auction permit in the county may receive and sell wine obtained from any source listed under § 2–137 of this article.
- 12 25-308.
- 13 (a) The [Department] **SERVICES** may enter into an agreement with a holder of a per diem license to deliver beer on the effective date of the per diem license and accept returns on the same day.
- 16 (b) The agreement entered into under subsection (a) of this section shall include 17 the type of equipment, services, personnel, and supplies required to dispense draft beer.
- 18 25-309.
- 19 (a) With the approval of the County Executive and subject to § 1–309 of this 20 article, the Director may:
- 21 (1) purchase from a holder of a wholesaler's license or manufacturer's 22 license alcoholic beverages that the [Department] **SERVICES** is authorized to sell and on 23 which the excise tax imposed by § 5–102 of the Tax General Article is paid;
- 24 (2) purchase from a holder of a resident or nonresident dealer's permit and 25 import for resale alcoholic beverages that the [Department] **SERVICES** is authorized to 26 sell, and resell the alcoholic beverages once the excise tax is paid;
- 27 (3) sell alcoholic beverages in sealed containers at prices that it determines

1	and that are uniform in all dispensaries;
2 3	(4) refuse to sell alcoholic beverages to a person that, in the [Department's] SERVICES' judgment, is not suitable to purchase or consume the alcoholic beverages;
4 5	(5) restrict by any method the quantity of alcoholic beverages that may be sold to an individual consumer or license holder at or during any time;
6 7	(6) enter into a contract or adopt regulations necessary or desirable to carry out this article;
8 9 10	(7) sell and ship outside of the county a container or package of alcoholic beverages kept for sale in a dispensary, if not prohibited by law in the place where the shipment is consigned; and
$\frac{1}{2}$	(8) establish the hours of sale for dispensaries, outside of which a dispensary may not remain open.
13 14	(b) (1) With the approval of the County Executive, the Director, by rental, lease, purchase, or otherwise, may acquire:
15 16	(i) real or personal property determined by the Director to be necessary to operate dispensaries, stores, or warehouses; and
17	(ii) alcoholic beverages from any source for resale.
18	(2) Except for purchases of merchandise for resale, the [Department] SERVICES shall make all purchases through the County Office of Procurement.
20	25–310.
21 22	(a) With the approval of the County Executive, the Director may establish a dispensary at one or more locations that the Director determines.
23	(b) (1) The [Department] SERVICES may sell its inventory through:
24	(i) dispensaries selling at wholesale and retail; and

1			(ii)	subject to subsection (c) of this section, retail outlets operated by
2	individuals	with v	vhom t	he [Department] SERVICES contracts.
3 4 5	retail alcoho		verage	vithstanding any other law, the Director may sell at wholesale or s in whole cases or in individual bottles through dispensaries to a nty.
6 7	different pri	(3) ices to		[Department] SERVICES may not sell alcoholic beverages at ent license holders or classes of license holders.
8	(c)	(1)	The I	Director may not contract with a person to operate:
9			(i)	a dispensary; or
10 11	outlet for th	e sale	(ii) of been	except as provided in paragraph (2) of this subsection, a retail r, wine, and liquor.
12 13 14			of liqu	Director may enter into a contract with a person to operate a retail or for off–premises consumption if the person holds any license for on or for on– and off–premises consumption.
15 16	with retail o	(3) outlets		[Department] SERVICES shall establish criteria for contracting
17 18	(d) indicated.	(1)	(i)	In this subsection the following words have the meanings
19 20	containers.		(ii)	"Beer" includes draft beer in refillable and nonrefillable
21			(iii)	"Wine" includes wine in refillable containers.
22		(2)	A dis	pensary:
23			(i)	may sell only:
24 25	off-premises	s cons	umptic	1. except as provided for in subsection (e) of this section, for on, nonchilled beer, wine, and liquor;

1			2.	ice;
2			3.	bottled water; and
3 4 5	consumption of all lime juice; and	coholic	4. bevera	items commonly associated with the serving or ges, including bottle openers, corkscrews, drink mixes, and
6		(ii)	may r	not sell snack foods or soft drinks.
7 8	(e) (1) purpose of:	A dis	pensar	y may sell any product in the dispensary's inventory for the
9 10	dispensary only;	(i)	holdir	ng tastings of beer, wine, and liquor on the premises of the
11		(ii)	servir	ng, for tasting, beer, wine, and liquor; and
12 13	individual for tast	(iii) ting in a		ing the consumption of beer, wine, and liquor by an tity of not more than:
14			1.	one-half ounce from each offering of liquor;
15			2.	1.5 ounces from all offerings of liquor in a day;
16			3.	1 ounce from each offering of wine;
17			4.	4 ounces from all offerings of wine in a day;
18			5.	3 ounces from each offering of beer; and
19			6.	12 ounces from all offerings of beer in a day.
20 21	(2) marked that it is		-	d, a bottle used for beer, wine, or liquor tasting shall be that purpose only.
22	(f) The	[Depar	tment]	SERVICES may sell or deliver alcoholic beverages to a

- 1 retail license holder from 6 a.m. to midnight on every day except Sunday.
- 2 (g) A manager of a dispensary, an individual who contracts to operate a retail
- 3 outlet as authorized under subsection (c) of this section, or an employee of a dispensary or
- 4 retail outlet who commits a prohibited act related to the sale or providing of alcoholic
- 5 beverages to individuals under the age of 21 years under this article or the Criminal Law
- 6 Article is subject to:
- 7 (1) any penalty authorized by law, including a civil citation issued under §
- 8 10–119 of the Criminal Law Article; and
- 9 (2) a fine and suspension or revocation of employment by the Board in the
- same manner as a license holder or employee of a license holder would be subject to a fine
- and suspension or revocation of the license for the violation.
- 12 (h) Title 4, Subtitle 2 of this article does not apply to this section.
- 13 25-311.
- 14 (a) Revenue derived from the sale of alcoholic beverages shall be:
- 15 (1) deposited in a bank located in the county in the name of Montgomery
- 16 County, Maryland; and
- 17 (2) disbursed by the Director of Finance in the same manner as other
- 18 county funds.
- 19 (b) (1) There is [a Liquor Control] AN ALCOHOL BEVERAGE SERVICES
- 20 Fund in the county.
- 21 (2) The proceeds derived from the sale of alcoholic beverages shall be
- 22 credited into the [Liquor Control] ALCOHOL BEVERAGE SERVICES Fund to maintain an
- 23 adequate balance of working capital, as determined by the Director and the Director of
- 24 Finance and subject to the approval of the County Executive, for the continued operation
- 25 of the dispensary system.
- 26 (3) After providing adequate working capital for the [Liquor Control]
- 27 ALCOHOL BEVERAGE SERVICES Fund, the net proceeds shall be deposited to the general

- 1 fund of the county.
- 2 25-312.
- The [Department] SERVICES shall have the immunity from liability established
- 4 under § 5–504 of the Courts Article.
- 5 25-402.
- A holder of a manufacturer's license may sell or deliver alcoholic beverages to the
- 7 [Department of Liquor Control] ALCOHOL BEVERAGE SERVICES from 6 a.m. to midnight
- 8 on every day except Sunday.
- 9 25-404.
- 10 (a) This section applies to a Class 6 pub-brewery license in the county.
- 11 (b) Section 2–208(d) of this article does not apply in the county.
- 12 (c) A holder of the license shall enter into a written agreement with the
- 13 [Department of Liquor Control] ALCOHOL BEVERAGE SERVICES for the sale and resale
- 14 of malt beverages brewed under the license.
- 15 25-405.
- 16 (d) A holder of the license shall enter into a written agreement with the
- 17 [Department of Liquor Control] ALCOHOL BEVERAGE SERVICES for the sale and resale
- 18 of malt beverages brewed under the license.
- 19 25–1005.
- 20 (c) The license authorizes the license holder to sell, at retail at the place described
- 21 in the license, beer, wine, and liquor:
- 22 (1) purchased from the [Department of Liquor Control] ALCOHOL
- 23 **BEVERAGE SERVICES** for the county;
- 24 (2) for on-premises consumption; and

1	1 (3) to a member or a guest accompanied by a member.	
2	2 25–1007.	
3 4	4 purchased from the [Department of Liquor Control] ALCOHOL BEVERAGE	•
5	5 on–premises consumption by:	
6	6 (1) a country club member;	
7	7 (2) a member of the immediate family of a country club mem	ıber;
8		e country club;
10 11 12	1 a recognized national or regional athletic event held on the premises of the	
13 14	11	sell alcoholic
15 16		efore the date
17	7 (iii) the Board has approved the application.	
18	8 25–1011.1.	
19 20		=
21	1 25–1201.	
22	2 (e) The license holder shall:	
23	(1) contract for and provide food for consumption at a catere	d event:

1	(2) meet the same ratio of gross receipts between food and alcoholic
2	beverage sales as a holder of a Class B beer, wine, and liquor license; and
3	(3) purchase all alcoholic beverages from the [Department of Liquor
4	Control] ALCOHOL BEVERAGE SERVICES.
5	25–1302.
6	A holder of a Class C per diem beer license, a Class C per diem beer and wine license,
7	or a Class C per diem beer, wine, and liquor license may purchase alcoholic beverages from:
8	(1) a County [Department of Liquor Control] ALCOHOL BEVERAGE
9	SERVICES warehouse;
Ü	SELVICES Warehouse,
10	(2) a dispensary;
11	(3) a manufacturer with a self-distribution license or permit under §
12	25–307 of this title; or
13	(4) a retail dealer licensed to sell alcoholic beverages for off-premises
14	consumption.
15	25–1905.
16	A license holder may sell only alcoholic beverages purchased from the [Department
17	of Liquor Control] ALCOHOL BEVERAGE SERVICES for the county if the holder's license
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19	(1) a Class A, Class B, Class H, Class C, or Class D beer license;
20	(2) a Class B, Class C, or Class D beer and wine license; or
21	(3) a Class A–TP, Class B, or Class C beer, wine, and liquor license.
22	Article - Courts and Judicial Proceedings
23	5-504.

1 2	The [Department of Liquor Control] ALCOHOL BEVERAGE SERVICES for Montgomery County shall be:
3	(1) Immune from all suits for damages; and
4 5	(2) Subject to suit only for the enforcement of contracts made by the [Department of Liquor Control] ALCOHOL BEVERAGE SERVICES for Montgomery
6	County.
7	Article – Tax – General
8	5–101.
9	(a) In this title the following words have the meanings indicated.
10 11	(l) (1) "Retail dealer" means a person who buys an alcoholic beverage for sale to a consumer.
12 13 14	(2) "Retail dealer" includes a county department of liquor control [or], A liquor control board, OR THE ALCOHOL BEVERAGE SERVICES FOR MONTGOMERY COUNTY that operates a dispensary.
15 16	(n) (1) "Wholesaler" means a person who buys or imports an alcoholic beverage for sale to another person for resale.
17 18 19	(2) "Wholesaler" includes a county department of liquor control [or], A liquor control board, OR THE ALCOHOL BEVERAGE SERVICES FOR MONTGOMERY COUNTY that operates a wholesale dispensary.
20	SECTION 2. AND BE IT FURTHER ENACTED, That, as provided in this Act:
21 22	(1) the Alcohol Beverage Services for Montgomery County is the successor of the Department of Liquor Control for Montgomery County; and
232425	(2) in every ordinance, order, rule, regulation, policy, or document created by a county official, employee, or unit, the name "Department of Liquor Control" means "Alcohol Beverage Services".

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SECTION 3. AND BE IT FURTHER ENACTED, That nothing in this Act affects the term of office of a member of any commission, office, agency, or other county unit. An individual who is a member of a county unit on the effective date of this Act shall remain for the balance of the term, unless the member sooner dies, resigns, or is removed under provisions of law.

SECTION 4. AND BE IT FURTHER ENACTED, That any transaction or employment status affected by or flowing from any change of nomenclature or any statute amended by this Act and validly entered into or existing before the effective date of this Act and every right, duty, or interest flowing from a statute amended by this Act remains valid after the effective date of this Act and may be terminated, completed, consummated, or enforced as required or allowed by any statute amended by this Act as though the amendment had not occurred.

SECTION 5. AND BE IT FURTHER ENACTED, That:

- 14 (1) the continuity of every commission, office, agency, or other Montgomery 15 County unit is retained; and
- 16 (2) the personnel records, files, furniture, fixtures, and other properties 17 and all appropriations, credits, assets, liabilities, and obligations of the Montgomery 18 County unit are continued as the personnel records, files, furniture, fixtures, properties, 19 appropriations, credits, assets, liabilities, and obligations of the Montgomery County unit 20 under the laws enacted by this Act.
- SECTION 6. AND BE IT FURTHER ENACTED, That the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, shall correct, with no further action required by the General Assembly, cross—references and terminology rendered incorrect by this Act. The publisher shall adequately describe any correction made in an editor's note following the section affected.
- SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019.