



Maryland State Licensed Beverage Association

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2010 MSLBA Legislative Wrap Up

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Steve Wise

Maryland Wineries

MSLBA and the rest of the industry was directed at the end of the 2009 Session to work with the Maryland Wineries Association, through the Office of the Comptroller, to address the numerous “Class ‘W’” bills that had been introduced to expand what could be done on the premises of a winery. We spent the summer and fall working with the wineries to develop a product we could live with, and the result was [Senate Bill 858](#) (Conway) and [House Bill 921](#) (Love). [Senate Bill 858](#), which passed on the last night of Session, allows wineries to sell wine by the bottle for consumption on the premises, and sell and serve certain foods while requiring the winery to observe all health department regulations, and assists wineries in their manufacturing process. For retailers, the bill offers the ability to appear along with Maryland Wineries at farmer’s markets, rather than having the wineries annually seeking more special event permits to do so on their own.

Passage of a compromise bill like this would normally be simple, but the debate over the issue of Direct Wine Shipment clouded matters. First, a floor amendment was placed on [Senate Bill 858](#) requiring the Comptroller to study the issue of direct wine shipment. A second floor amendment allowing for direct ship was offered by Senator Bobby Zirkin (D-Baltimore County). Along with the MD Beer Wholesalers, the Licensed Beverage Distributors and the Maryland Wineries Association, we worked the entire Senate to garner at least 31 votes out of 47, resulting in Senator Zirkin withdrawing his amendment.

The House ultimately adopted [Senate Bill 858](#) on the last night of Session, in the same form adopted by the Senate. Chairman Dereck Davis wisely held the bill until the last night to guard against the likelihood of any direct shipment amendment being adopted on the House floor. This legislation should mark a multi-year peace with the wineries, and certainly serves to reduce the amount of legislation that we have used our resources to oppose.

Farmers Markets

It is often the little bills that require the most work. Both Prince George’s ([House Bill 559](#)) and Montgomery County ([House Bill 823](#)) introduced bills allowing another 12 special event permits for use by wineries at farmer’s markets in those counties. This is a long running issue with

MSLBA because a regular presence by wineries at these events makes them almost full time retailers. We opposed the bill this year for the additional reason that the MD Wineries bills dealt with the problem by allowing retailers to partner with the wineries at farmer's markets. That logic did not dissuade the local delegations in these jurisdictions from pressing ahead, so both bills passed the House.

Again lending her help to our industry, EHE Committee Chair Joan Carter Conway, pressed every procedural button to stop the passage of these local bills in the Senate. Ultimately, she was not successful, despite her best efforts, and the bills passed.

Direct Wine Shipment

The MSLBA's priority this Session was to defeat this legislation, as we have done by a smaller and smaller margin in each of the last several years. Despite a mounting tide in favor of the bill, our efforts were successful and the bill was defeated.

What made this year more difficult than those in the past was the growing grassroots movement in favor of the bill (37 states allow it), along with new House sponsorship. Delegate Carolyn Krysiak (D—Baltimore City), a longstanding member of the House Economic Matters Committee, agreed during the interim to sponsor the bill. [House Bill 716](#) and [Senate Bill 566](#) (sponsored by Senator Raskin/Mont. Co) would have allowed out of state retailers and wineries to ship directly into Maryland and to ship products already offered here, and for orders to be placed on the internet.

In the Senate, EHE Chair Joan Carter Conway strongly opposed the measure and, despite great pressure to bring the bill out of her committee to the full Senate where a majority of Senators had sponsored it, she did not do so. In late March, however, it was the House Economic Matters Committee (ECM) that struck first and killed [House Bill 716](#) by one vote. It received only 12 votes in favor, but 13 are required. Chairman Dereck Davis could have voted to send the bill out, but like his Senate counterpart, stood with us and voted no.

While we were successful in killing the direct ship legislation, the amendment to the MD Wineries bill requiring the Comptroller to study direct ship will require our active involvement over the summer. The close margin by which we killed direct ship this year in the House Committee, coupled with the fact that a majority of both the House and Senate sponsored the bills, have to be considered as we participate in the study.

Alcohol Tax

Much publicity was given to the advocates of a "dime a drink" increase in the alcohol tax (see [Senate Bill 717/House Bill 832](#)). In truth, the dime a drink equates to significant additional excise taxes for Maryland consumers. Fortunately, for the industry (and taxpayers) the Speaker, Senate President and Governor had all publicly and repeatedly stated the tax would not be raised this year.

Altering our approach a bit this year, partly in response to numerous news articles targeting the evil "alcohol lobby," we had local manufacturers, like the wineries and local breweries, as well as local retailers lead off our testimony against the bill. Normally, we send up a panel of lobbyists and members, but in light of the press this year we opted for a different approach. Apparently it worked, as the bills both died in Committee.

Drunk Driving

Numerous bills were introduced that would have mandated ignition interlock devices for even first time offenders. Ultimately, the Senate passed over to the House legislation ([Senate Bill 564](#)) that mandated interlock for all offenders except those receiving probation before judgment. Despite great pressure to pass a bill, House Judiciary Chairman Joe Vallario chose not to vote any of the bills and they all died on the last night of session.

MSLBA made the decision not to weigh in on these measures, concluding that it would carry negative publicity without any gain in terms of the votes that could be garnered on the House Committee.

Recycling

Legislation was introduced that would have required bars and restaurants to recycle ([House Bill 944](#)), and to require package stores to implement plastic bag recycling plans ([House Bill 1418](#), [House Bill 351](#), [Senate Bill 462](#)). All of this legislation failed, though it is clear that these proposals are gaining steam here and will be back in the next four year term.

To access the MSLBA Legislative Report on the internet:
Visit [MSLBA Home](#); click "[Legislative](#)" in the left-hand index,
Then click "[View the list](#)" of legislation we are monitoring in 2010.

Statewide Legislation

Excerpts from "The 90 Day Report, A Review of the 2010 Legislative Session"
<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H, Pg. 39-41)

The Maryland Winery Modernization Act: The number of licensed wineries in the State has grown significantly in the past five years, from 17 to 41. Statistics compiled by the Comptroller's office, which issues licenses for wineries, indicate that the amount of wine sold by Maryland wineries has more than tripled in 10 years. In keeping pace with this growth, [Senate Bill 858 \(passed\)](#), effective June 1, 2010, changes the State wine laws in several ways. While simplifying the licensing process for limited wineries (that is, wineries that in general use only available Maryland agricultural products) the bill greatly broadens the scope of operations and activities of a limited winery licensee. Further, the measure establishes a permit for liquor stores and certain other alcoholic beverages licensees, enabling them to sell wine at farmer's markets that are listed by the Maryland Department of Agriculture. Finally, the bill requires the Comptroller to issue reports on two issues affecting the wine industry.

Limited Wineries: A limited winery is allowed to use available Maryland agricultural products to (1) ferment and bottle wine; (2) distill and bottle pomace brandy; (3) sell and deliver the wine and pomace brandy to a wholesale licensee or permit holder in the State or a person outside the State that is authorized to acquire the wine and pomace brandy; and (4) sell its wine and pomace brandy in limited quantities to persons participating in a guided tour of the winery.

Senate Bill 858 greatly expands the ability of a limited winery to sell its product to visitors to its facility. Not only may a limited winery sell or provide on its premises samples of wine and pomace brandy it produces, the limited winery may also sell or serve its visitors a wide variety of food items, including soup, cured meat, bread, chili, and ice cream.

Unless otherwise specified, a limited winery may only sell wine, brandy, or specified food or provide samples for off-premises consumption and sampling from 10 a.m. to 10 p.m. The same activities for on-premises consumption may be conducted from 10 a.m. to 6 p.m. each day. However, if guests are attending a planned promotional event or other organized activity on the licensed premises, the permissible hours are from 10 a.m. to 10 p.m. The bill specifies that in Garrett County, Sunday sales only apply if approved through referendum by the voters of the county.

Farmer's Market: **Senate Bill 858** also authorizes the Comptroller to issue a farmer's market permit to a holder of a license (1) other than a Class 4 limited winery license, such as a liquor store, that allows the holder to sell alcoholic beverages to the public for consumption off the licensed premises; and (2) that was issued by the local licensing board of the jurisdiction in which the farmer's market will be held.

A permit may only be used at the farmer's market identified in the permit during the hours of the farmer's market. In addition, the permit may be used only at one of the 103 farmer's markets listed in the farmer's market directory of Maryland Department of Agriculture. The Comptroller may issue only one permit for use at each farmer's market. A permit authorizes the holder to (1) occupy stall space at a farmer's market; (2) offer and sell sealed containers of wine to consumers for consumption off the licensed premises of the farmer's market; and (3) provide, at no charge, samples of wine not to exceed one ounce per brand to consumers for consumption on the licensed premises of the farmer's market. All wine offered for sale or samplings by the permit holder must be the product of a Class 4 limited winery.

Study of Direct Shipment of Wine: **Senate Bill 858** addresses another wine-related issue that proved controversial during the session – that of the direct shipment of wine from out-of-state wineries to Maryland consumers. The bill requires the Comptroller, on or before December 31, 2010, to submit a report to the General Assembly on the viability and efficacy of instituting the policy of permitting the direct shipment of wine to consumers in the State. The report must include (1) an evaluation of the best practices used by the states and the District of Columbia that allow direct wine shipment; (2) an evaluation of related fiscal, tax, and other public policy and regulatory issues; and (3) determinations regarding specified factors, including the benefits and costs to consumers and the best practices for preventing access by underage wine drinkers.

Finally, the bill requires the Comptroller to report to the Senate Education, Health, and Environmental Affairs Committee and the House Economic Matters Committee on the impact that the limitation of special event permits has had on the growth of the Maryland wine industry. The report is due by December 1, 2012.

Maximum Alcohol Content: [Senate Bill 905](#) (*failed*) would have prohibited a person from selling at retail an alcoholic beverage with an alcohol content by volume of 95% (190 proof) or more. A violator would have been guilty of a misdemeanor and subject to a fine of up to \$1,000.

Direct Wine Shipments from Outside Maryland: [Senate Bill 566/House Bill 716](#) (*both failed*) would have established a licensing procedure by which out-of-state wineries and other persons would have been able to ship wine directly to residents in the State. Under [Senate Bill 858](#), however, the Comptroller must report to the General Assembly on or before December 31, 2010, on the viability and efficacy of allowing direct shipment of wine to consumers in the State.

Anne Arundel County Legislation that Passed

Excerpts from “The 90 Day Report, A Review of the 2010 Legislative Session”
<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H, Pg. 41-42)

City of Annapolis

Renewal fees for alcoholic beverages licenses in the City of Annapolis are generally due in full by April 30 of each year. Due to an increase in alcoholic beverages license fees that became effective as of July 1, 2009, several license holders asked the city for additional time or for the ability to make more than one payment for the renewal of the licenses. [House Bill 1531 \(Ch. 172\)](#), an emergency enactment, authorizes the mayor, counselor, and aldermen of Annapolis to determine a periodic basis on which payments for the renewal of an alcoholic beverages license may be made.

Anne Arundel County

[House Bill 947](#) (*passed*) creates for a 3-year period a Class BWST, beer, wine, and spirits (on-premises) tasting license in Anne Arundel County. A Class BWST license may only be issued to a holder of a Class BWL beer, wine, and liquor (on-premises) license. The bill increases, from \$50 to \$150, the annual fee for a Class BWT beer and wine tasting license and establishes a \$500 fee for a Class BWST license. The bill takes effect July 1, 2010, and terminates June 30, 2013.

Under [House Bill 947](#), a Class BWST license holder is allowed to provide the on-premises consumption of the following alcoholic beverages for tasting or sampling purposes only:

- liquor in a quantity not exceeding one-half ounce from any of five brands to any one person in a day;
- light wine in a quantity not exceeding one ounce from each brand to any one person; and
- beer in a quantity not exceeding three ounces to any one person.

Baltimore City Legislation that Passed

Excerpts from “The 90 Day Report, A Review of the 2010 Legislative Session”
<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H Pg. 42 - 43)

Park Heights Redevelopment Area: [Senate Bill 456/House Bill 279](#) (*both passed*) specify that in the Park Heights Redevelopment Area of Baltimore City establishments may not begin selling alcoholic beverages until 9 a.m. This restriction applies to the holders of Class B-D-7 licenses; Class A, B, and D beer and light wine licenses; and Class A, B, and D beer, wine, and liquor licenses. The bills take effect June 1, 2010.

Unlicensed Restaurants: [Senate Bill 376/House Bill 1326](#) (both passed) prohibit an establishment in Baltimore City that is not licensed by the Baltimore City Board of License Commissioners from giving, serving, or dispensing alcoholic beverages on its premises, unless the establishment is a restaurant and (1) the alcoholic beverages are brought to the restaurant by the patron; (2) the alcoholic beverages are consumed with a meal; (3) there is no charge for admission; and (4) the Baltimore City Fire Department determines that the maximum seating capacity of the restaurant is 50. The bills also authorize the Baltimore City Police Department to close an establishment if the department determines that the public health, safety, or welfare requires emergency action. The bills repeal provisions of law allowing bottle clubs in Baltimore City and take effect July 1, 2010.

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Class C Licenses: [Senate Bill 377](#) (passed) authorizes the Baltimore City Board of Liquor License Commissioners to collect from a holder of a special Class C beer, wine, and liquor license reimbursement for costs incurred by the board while monitoring the event for which the license is issued. The bill takes effect July 1, 2010.

Baltimore County Legislation that Passed

Excerpts from “The 90 Day Report, A Review of the 2010 Legislative Session”
<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H Pg. 43)

Towson Commercial Revitalization District: [Senate Bill 122/House Bill 391](#) (both passed) alter requirements in Baltimore County relating to the capital investment, average daily receipts, and seating capacity for some restaurants that apply for the transfer of a Class B or Class D license and the issuance of a Class B (beer, wine, liquor) license for use in the Towson Commercial Revitalization District (TCRD).

The bills take effect June 1, 2010, and allow the county Board of License Commissioners to authorize the transfer of up to 10 beer, wine, and liquor (on-sale) licenses into TCRD if the licenses meet specified criteria.

[Senate Bill 122/House Bill 391](#) create an exception to the minimum seating capacity and average daily receipts requirement and repeal the provision relating to the minimum capital investment requirement.

Instead, the bills establish that the board may require that, for not more than seven restaurants, applicants for license transfer and issuance must demonstrate a minimum capital investment of \$500,000, excluding the costs of the land and building shell. For not more than three restaurants, the board may require that applicants for license transfer and issuance to (1) demonstrate a capital investment, excluding the costs of the land and building shell, of not less than \$50,000 or more than \$400,000; (2) maintain average daily receipts from the sale of food that are at least 70% of the total daily receipts of the restaurant; and (3) have a minimum seating capacity of 40 persons and a maximum seating capacity of 100 persons in the area dedicated to restaurant operations, with the seating capacity in the bar area not exceeding 15% of the total seating capacity of the restaurant.

Tasting Licenses: [House Bill 1496](#) (Ch. 171) authorizes the county board of license commissioners to issue a Class BWT beer and light wine tasting or a Class BWLT beer, wine, and liquor tasting license for 104 days, which may be used consecutively or nonconsecutively. The annual fee is \$400. The Act takes effect July 1, 2010.

Carroll County Legislation that Passed

Excerpts from “The 90 Day Report, A Review of the 2010 Legislative Session”
<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H, pg. 43)

[Senate Bill 926/House Bill 1114](#) (both passed) authorize the holder of a Class B beer, wine, and liquor license in Carroll County to sell wine for off-premises consumption if the area used for the preparation and consumption of food and beverages occupies at least 90% of the total square footage of the licensed premises. The holder of the license may not sell more than six bottles of wine to an individual at one time. The bills take effect July 1, 2010.

Cecil County Legislation that Passed

Excerpts from “The 90 Day Report, A Review of the 2010 Legislative Session”
<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H Pg. 44)

[House Bill 535](#) (Ch. 154) establishes a Class EF (entertainment facility) beer, wine, and liquor license in Cecil County. The license authorizes the sale of beer, wine, and liquor by the drink and by the bottle, from one or more outlets in the entertainment facility, for consumption anywhere within the premises. One or more Class EF licenses may be issued for the same facility. Despite provisions that generally limit the number of alcoholic beverage licenses that can be issued based on the number of registered voters, the board of license commissioners may issue a Class EF license to an applicant that has a capital investment in the facility, not including any real property, of at least \$35 million. The Class EF license authorizes (1) music and dancing; and (2) the sales and serving of beer, wine, and liquor throughout the entertainment facility during the days and hours that the facility is open for business. The annual license fee is \$7,500, and the bill takes effect July 1, 2010. An entertainment facility is already under construction in Cecil County and scheduled to open in late 2010.

Dorchester County Legislation that Passed

In addition to the legislation listed below, [Senate Bill 194](#) passed. [Senate Bill 194](#) allows the State Comptroller to issue a certain number of Class 6 pub-brewery licenses and Class 7 micro-brewery licenses to certain applicants for locations in an enterprise zone in Dorchester County.

Excerpts from “The 90 Day Report, A Review of the 2010 Legislative Session”
<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H, pg. 44)

Club Membership Requirements: [Senate Bill 41](#) (Ch. 11)/[House Bill 110](#) (passed) reduce the minimum membership requirements in Dorchester County for armed forces organizations or clubs from (125 to 50) and for fraternal organizations (from 250 to 125) to obtain a Class C beer, wine, and liquor license. The Act takes effect July 1, 2010.

Minimum Seating Capacity: [Senate Bill 47](#)/[House Bill 1056](#) (both passed) lower the minimum seating capacity requirement from 75 to 50 for bona fide restaurants, motels, and hotels with restaurant facilities in Dorchester County to obtain a Class B (on-sale) beer, wine, and liquor license from the Dorchester County Board of License Commissioners. The bills take effect July 1, 2010.

Frederick County Legislation that Passed

Excerpts from “The 90 Day Report, A Review of the 2010 Legislative Session”
<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H Pg. 44)

[Senate Bill 449](#) (passed) expands the hours during which authorized Class A (off-sale) license holders may sell alcoholic beverages in Frederick County. The bill takes effect June 1, 2010. Under the bill, Class A (off-sale) license holders may be open from 6 a.m. until 2 a.m. the following day on Monday through Saturday and on Sunday from 11 a.m. until 2 a.m. the following day.

Garrett County Legislation that Passed

Excerpts from “The 90 Day Report, A Review of the 2010 Legislative Session”
<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H Pg. 44)

Effective July 1, 2010, [House Bill 400](#) (Ch. 148) alters the qualifications for obtaining a wine festival license in Garrett County by extending eligibility to a person eligible for any type of special Class C license issued by the county board of license commissioners. The Act also requires the board of license commissioners to hold a hearing on each application for a wine festival license and to publish a notice of the application in a newspaper of general circulation at least seven days before the hearing.

Harford County Legislation that Passed

Excerpts from “The 90 Day Report, A Review of the 2010 Legislative Session”

<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H Pg. 45)

[Senate Bill 153](#) (Ch. 43)/[House Bill 668](#) (passed) alter the process for selecting nominees to the Harford County Liquor Control Board. The measures require the county executive to submit the name of one nominee to the Harford County Senators and Delegates of the General Assembly and specify procedures for the approval or rejection of the nominee.

Under the new law, at least 60 days prior to the expiration of a board member’s term, or for a vacancy other than one resulting from an expired term, as soon as practicable, the county executive must submit the name of one nominee to the Harford County Senators and Delegates (collectively known as the Harford County Delegation) for its advice and consent. If the delegation does not approve or reject the nominee within seven working days, the nominee is considered to be approved. If the delegation rejects the nominee, the county executive must nominate a new individual within seven working days of receiving notice of the rejection. This process must continue until a nominee is approved. The county executive then is to submit the name of the approved nominee to the county council for its advice and consent.

Howard County Legislation that Passed

Excerpts from “The 90 Day Report, A Review of the 2010 Legislative Session”

<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H Pg. 45-46)

B-SBW License: [House Bill 730](#) (Ch. 162) establishes a Class B special beer and wine (B-SBW) (off-sale) license in Howard County. The Act takes effect July 1, 2010. Under the Act, the board of license commissioners may issue a Class B-SBW license only to a holder of a Class B beer, wine, and liquor (seven-day) (on-sale) license that is issued for a restaurant. The term of a Class B-SBW license issued to a successful applicant must be the same as that of the Class B beer, wine, and liquor license that the applicant holds.

Prior to issuance of a license, the applicant must complete a form that the board of license commissioners provides and pay an annual license fee of \$500. The same advertising, posting of notice, and public hearing requirements as those for other Class B licenses must be met. A holder of a Class B-SBW license may sell beer and wine for consumption off the licensed premises only to persons who have purchased food or alcohol from the licensed premises. A Class B-SBW license holder may not display or provide shelving for beer or wine for off-premises sales in areas of the establishment that are accessible to the public. Off-sale alcoholic beverages receipts collected under a Class B-SBW license must be included in the calculation of average daily receipts from the sale of alcohol under provisions of law that define “restaurant.”

The hours for sale for a Class B-SBW license are from 10 a.m. to midnight, Monday through Sunday. A holder of a Class B-SBW license may exercise the privileges of the license only if the licensed premises is open for business as a restaurant. The board of license commissioners may adopt

regulations to carry out the Act's provisions, including placing a limit on the number of licenses to be issued.

House Bill 730 also authorizes a holder of a Class A, B, or C license in Howard County to employ an individual who is at least 18 years old to sell or serve alcoholic beverages.

Findings of Hearing Board: Under **House Bill 717 (Ch. 161)** the Howard County Appointed Alcoholic Beverage Hearing Board, on determining whether to approve an application for any new Class A (off-sale) license, is required to include findings as to each of several specified factors in its written decision. The Act takes effect July 1, 2010.

Before approving an application and issuing a license, the board must consider:

- the public need and desire for the license;
- the number and location of existing licensees and the potential effect on existing licensees of the license applied for;
- the potential commonality or uniqueness of the services and products to be offered by the applicant's business;
- the impact on the general health, safety, and welfare of the community, including issues relating to crime, traffic, parking, or convenience; and
- any other necessary factor as determined by the board.

House Bill 717 specifies that the board must include in its written decision findings as to each of these factors.

Montgomery County Legislation that Passed

Excerpts from "The 90 Day Report, A Review of the 2010 Legislative Session"

<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H Pg. 46)

Repeal of Sunset Provision: In 1989, Montgomery County increased the license fee for a Class B beer, wine, and liquor license and a Class B-BWL (H-M) beer, wine, and liquor license from \$2,000 to \$2,500 to help fund alcoholic beverage enforcement activities. Subsequently, a series of sunset extensions kept the fee increase in effect for a few years at a time. The last in the series of sunset extensions, Chapter 48 of 2005, extended the termination date until June 30, 2010. **House Bill 1205 (Ch. 169)** repeals that termination date, thus making the \$2,500 license fee permanent.

Farmers' Markets: **House Bill 823 (passed)** authorizes the Comptroller's Office to issue up to 12 additional winery special event permits in a calendar year to a licensed Class 4 Maryland limited winery for use at farmers' markets in Montgomery County listed on the Maryland Department of Agriculture Farmers' Market Directory. The holder of a winery special event permit is prohibited from selling wine by the glass. A farmers' market administrator or its designee is required to be present during hours when wine is being sold and to be certified by an approved alcohol awareness program. The bill takes effect June 1, 2010.

Prince George's County Legislation that Passed

Excerpts from "The 90 Day Report, A Review of the 2010 Legislative Session"
<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H Pg. 46-49)

Farmers' Markets: [House Bill 559](#) (passed) authorizes the Comptroller's Office to issue up to 12 additional winery special event permits in a calendar year to a licensed Class 4 Maryland limited winery for use at farmers' markets in Prince George's County listed on the Maryland Department of Agriculture Farmers' Market Directory. The holder of an additional winery special event permit issued under the bill is prohibited from selling wine by the glass. A farmers' market administrator or its designee is required to be present during hours when wine is being sold and to be certified by an approved alcohol awareness program. The bill takes effect June 1, 2010.

Special Entertainment Permit: [House Bill 558](#) (passed) authorizes the board of license commissioners to issue a special entertainment permit to the holder of any Class B (on-sale) license. The permit authorizes a holder, after 9 p.m. and until 2 a.m., to impose a cover charge, offer facilities for patron dancing, and provide entertainment. The board must determine the number of days in a week that the permit holder may exercise the privileges of the permit. The annual permit fee is \$1,500, which is in addition to the annual fee for the Class B license.

The bill (1) specifies hearing requirements for the issuance, renewal, and revocation of an entertainment permit; (2) requires applicants to develop security plans for the establishments for which the permits are sought and to submit their plans to the board and to the Chief of the Prince George's County Police Department; and (3) specifies procedural requirements and penalties for violations. The board must hold a public hearing before approving an application for and issuing an entertainment permit, and on receipt of a petition, to revoke an entertainment permit or protest the renewal of a permit.

Under [House Bill 558](#) a circuit court of the county is authorized to issue a temporary restraining order to immediately close the premises if the county establishes that the security plan has not been implemented and that emergency action is required to protect the health, safety, or welfare of the public. Also the board is authorized to immediately suspend a permit if the board reasonably believes that the permit holder violated the terms and conditions of the permit. The bill takes effect July 1, 2010, and the board is required to report on the activities of permit holders and the impact of entertainment permits on the county by November 1, 2013.

Class B-AE License: [Senate Bill 151](#) (Ch. 42) authorizes the board of license commissioners to issue a Class B-AE (arts and entertainment) beer, wine, and liquor license. The annual license fee is set at \$2,750. The license may be issued only to an establishment in the county's approved arts and entertainment district for consumption of alcoholic beverages on the licensed premises. The board may issue up to five Class B-AE licenses; however, a person may not hold more than two licenses. The board is required to adopt regulations to carry out these provisions, including regulations specifying hours and days of sale.

Waterfront Entertainment Retail Complex: [House Bill 571](#) (passed) creates a special Class D beer and wine (seven-day) (on- and off-sale) license in Prince George's County to be issued for use within property zoned as a waterfront entertainment retail complex. The license allows beer and wine to be

sold seven days per week from 9:00 a.m. to 2:00 a.m. the next day, with no food requirements. The annual license fee is \$660. [House Bill 571](#) also authorizes the board of license commissioners to grant an additional Class D beer and wine license allowing for on- and off-sale of beer and wine during the days and hours designated for an event, not to exceed seven consecutive days. Such an event must be held within the property of a conceptual site plan, at least part of which includes a zoned waterfront entertainment retail complex. This license does not prohibit a holder of the license from holding another alcoholic beverages license of a different class or nature. The fee for this license is \$100 per day. The bill authorizes the county to adopt regulations for implementation. The bill takes effect June 1, 2010.

National Harbor: In 2009, legislation was enacted that authorized the Prince George's County Board of License Commissioners to issue a special three-day Class C beer, wine, and liquor license to a nonprofit organization that is exempt from taxation under § 501(c)(3) of the Internal Revenue Code. The special license entitles the holder to sell beer, wine, or liquor on- or off-premises at the National Harbor Complex. The fee for a special license is \$150 per day. The special license may not be issued to any one organization for more than three consecutive days in a single calendar year. However, [House Bill 574](#) (*Ch. 158*) prohibits the issuance of a special three-day Class C beer, wine, and liquor license at National Harbor to any one organization for two consecutive years. The Act takes effect July 1, 2010.

Fee and Salary Increases: According to the board of license commissioners, alcoholic beverages license fees in the county have not been increased in 10 years. In the county, there are 581 alcoholic beverages license holders, excluding the holders of special limited licenses. This includes 47 Class A, B, and D beer licenses; 90 Class A, B, C, and D beer and wine licenses; and 444 Class A, B, and C beer, wine, and liquor licenses.

[House Bill 567](#) (*Ch. 156*) increases alcoholic beverages license fees in Prince George's County by an average of \$172 per license issued. The Act also increases the annual salary for alcoholic beverages inspectors in the county from \$9,976 to \$10,900. The Act takes effect July 1, 2010. As a result of this enactment, county licensing revenues are estimated to increase by approximately \$103,600 annually beginning in fiscal 2011.

License Extinguishment: [House Bill 570](#) (*passed*) authorizes a person to obtain a Class A alcoholic beverages license of any kind in Prince George's County for the purpose of having the board of license commissioners declare it extinguished. The person must inform the board of the purpose of the acquisition, and within 10 days must surrender the license to the board along with evidence to satisfy the board that all taxes or obligations to wholesalers or other persons have been paid. A license extinguished in this manner may not be replaced by the board and counts toward the statutory limits on alcoholic beverages licenses in Prince George's County. A person who obtains a license for the purpose of extinguishing it may not exercise the privileges of the license or further transfer or sell the license. The bill authorizes the board to impose a penalty of up to \$1,000 for a violation of the bill. The bill takes effect July 1, 2010.

Class A/Class 4 Light Wine Licenses: [House Bill 573](#) (*Ch. 157*) authorizes the issuance of a Class A light wine license in Prince George's County and exempts any winery applying for such a license from any quotas as to the number of licenses in the election district where the winery is located. Only three

counties (Allegany, Charles, and Prince George's) were not authorized to issue this type of license. The Act takes effect July 1, 2010.

Notification of Issuance of Licenses and Permits: [House Bill 582](#) (passed) requires the board of license commissioners to notify the chief of police, the fire chief, the director of the Department of Environmental Resources, and any relevant municipal corporation when the board issues a special Class C license. The notice is to include the time, place, and expected size of the event for which the license is issued. Notice must also be given to the board, the chief of police, the fire chief, the director of the Department of Environmental Resources, and any relevant municipal corporation when an administrative official in the county issues a use and occupancy permit that allows entertainment to be held for various organizations or the public. The bill takes effect June 1, 2010.

Beer, Wine, and Liquor Tastings: [House Bill 1478](#) (passed) establishes a beer tasting license; a beer/wine tasting license; and a beer, wine, and liquor tasting license in Prince George's County. A beer tasting license is available to the holder of a beer license; a beer and wine license; or a beer, wine, and liquor license. A beer/wine tasting license is available to the holder of a beer and wine license or a beer, wine, and liquor license. A beer, wine, and liquor tasting license is available only to the holder of a beer, wine, and liquor license. The holder of a beer license may only obtain a beer tasting license. The additional fee for the new beer tasting license is \$110. The county board of license commissioners is required to set the annual fee for a beer/wine tasting license and a beer, wine, and liquor tasting license. The bill takes effect July 1, 2010.

[Somerset County Legislation that Passed](#)

Excerpts from "The 90 Day Report, A Review of the 2010 Legislative Session"
<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part C pg. 10 & Part H Pg. 49)

[House Bill 451](#) (passed) authorizes the county board of license commissioners to issue a local caterer's license to the holders of specified Class B restaurant or hotel (on-sale) licenses. The annual license fee is \$550. The caterer's license authorized by the bill allows the holder of a Class B restaurant or hotel (on-sale) beer and light wine license to provide beer and light wine at events that are held off the Class B restaurant or hotel licensed premises; and the holder of a Class B restaurant or hotel beer, wine, and liquor license to provide alcoholic beverages at events that are held off the Class B restaurant or hotel licensed premises. License holders must also provide food at a catered event.

The bill also authorizes the board to proceed administratively against a licensee who is granted probation before judgment for a violation of the prohibitions against the sale of an alcoholic beverage to a person under age 21 or to a person who was visibly under the influence of alcohol. The bill takes effect July 1, 2010.

Liquor Control Boards

Somerset and Worcester counties are two of only five counties in the State that regulate alcoholic beverages by means of a liquor control board. A liquor control board is authorized by statute to operate county liquor dispensaries that make wholesale or retail "package" sales of certain types of alcoholic beverages to regulate price and competition within the county. In 2009, the State Ethics Commission sought an opinion of the Attorney General as to whether liquor control boards are State or local entities

for the purpose of applying the Maryland Public Ethics Laws. In response to the Attorney General's determination that a liquor control board is a State entity, [House Bill 1309](#) (*Ch. 170*) adds the liquor control boards for Somerset and Worcester counties to the definition of "executive unit" for purposes of governance by the Public Ethics Laws.

St. Mary's County Legislation that Passed

Excerpts from "The 90 Day Report, A Review of the 2010 Legislative Session"

<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H Pg. 49)

[Senate Bill 904](#) (*passed*) requires the county board of license commissioners to issue not more than one Class A alcoholic beverages license with an off-sale privilege for each unit of 1,350 people in each election district in the county. The license quota must be maintained using the population figures of the most recent St. Mary's County Planning Commission Annual Report. The bill also prohibits the transfer of licenses between election districts unless the transfer can be made without exceeding the license quota. The bill takes effect July 1, 2010, and applies only prospectively. There are 43 Class A licenses with an off-sale privilege in St. Mary's County. According to the Maryland Department of Planning, the population of St. Mary's County totaled 101,578 as of July 2008.

Washington County Legislation that Passed

Excerpts from "The 90 Day Report, A Review of the 2010 Legislative Session"

<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H, pg. 50)

[House Bill 399](#) (*passed*) authorizes the county board of license commissioners to issue a beer tasting license to the holder of a Class A or Class B beer and wine license or a Class A or Class B beer, wine, and liquor license. The annual license fee is \$100. The board must regulate the quantity of beer served to each person and the number and size of bottles or other containers of beer being served. The bill takes effect July 1, 2010.

Wicomico County Legislation that Passed

Excerpts from "The 90 Day Report, A Review of the 2010 Legislative Session"

<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part H, pg. 50)

Licenses; Employment at Licensed Premises: [Senate Bill 196](#)/[House Bill 551](#) (*both passed*) authorize the county board of license commissioners to issue a beer tasting license and a beer/wine tasting license. The bills establish fees for both licenses. The bills also specify that the Comptroller may only issue one Class 6 pub-brewery license or one Class 7 micro-brewery license, but not both, in an enterprise zone in Wicomico County to a person who holds no more than three Class B beer, wine, and liquor licenses and repeal laws authorizing the board of license commissioners to issue the license.

Finally, the bills authorize an individual who is at least 16 years old and who has a work permit to be employed to stock alcoholic beverages or clear tables and bar areas in Wicomico County.

Micro-brewery Licenses: [Senate Bill 195](#) (*passed*) authorizes a Class 7 micro-brewery licensee in Wicomico County to sell beer at retail to customers for consumption off the licensed premises in refillable containers that are sealed by the licensee at the time of each refill. The bill takes effect July 1, 2010. There are currently 15 Class 7 micro-brewery licenses issued in the State; however, the Comptroller's office has not issued any micro-brewery licenses in Wicomico County. There are 46 Class B beer, wine, and liquor license holders in Wicomico County.

Worcester County Legislation that Passed

Excerpts from "The 90 Day Report, A Review of the 2010 Legislative Session"
<http://mlis.state.md.us/2010rs/90-Day-report/index.htm> (Part C, pg.10 & Part H, pg. 50)

Liquor Control Boards

Somerset and Worcester counties are two of only five counties in the State that regulate alcoholic beverages by means of a liquor control board. A liquor control board is authorized by statute to operate county liquor dispensaries that make wholesale or retail "package" sales of certain types of alcoholic beverages to regulate price and competition within the county. In 2009, the State Ethics Commission sought an opinion of the Attorney General as to whether liquor control boards are State or local entities for the purpose of applying the Maryland Public Ethics Laws. In response to the Attorney General's determination that a liquor control board is a State entity, [House Bill 1309](#) (*Ch. 170*) adds the liquor control boards for Somerset and Worcester counties to the definition of "executive unit" for purposes of governance by the Public Ethics Laws.

[House Bill 1431](#) (*passed*) adds Worcester County to the list of jurisdictions in which (1) the holder of a Class 6 pub-brewery license may sell malt beverages for off-premises consumption under specific conditions; (2) a Class 7 micro-brewery license may be issued; and (3) the licensee may sell at retail, beer for consumption off the licensed premises in refillable containers that are sealed by the micro-brewery licensee at the time of each refill. The bill takes effect July 1, 2010.