

Statewide Alcoholic Beverage Regulation

Task Force to Study Alcohol Regulation in the State

In Maryland, alcoholic beverages manufacturers and wholesalers are regulated by the Comptroller's Office (State level), while alcoholic beverages retailers are regulated by local boards of license commissioners. Specific to manufacturers, the Comptroller's Office considers applications and issues and oversees licenses through two offices: the Revenue Administration Division (RAD); and the Field Enforcement Division (FED). RAD is responsible for receiving and processing the tax returns and payments from alcoholic beverages manufacturers, and FED is responsible for enforcing the State's alcoholic beverages laws through inspection and oversight.

House Bill 1316 (Ch. 25) establishes a Task Force to Study State Alcohol Regulation, Enforcement, Safety, and Public Health in the State. The 21-member task force, whose membership includes legislators, alcohol industry representatives, law enforcement representatives, and health care professionals, must examine whether the Comptroller's Office is the most appropriate agency to ensure the safety and welfare of Maryland residents, or whether those tasks should be assigned to another State agency or to one created specifically to carry out those tasks. The task force must also make recommendations regarding additional policies that should be implemented, and the method for implementing the policies, with regard to alcohol laws in the State and legislative proposals that would expand the availability to the public. The task force must report its findings and recommendations to the General Assembly by December 1, 2018.

Breweries

In January 2017, the alcoholic beverage distributor Diageo announced plans to open a Guinness brewery in Baltimore County. At that time, the law regulating on-premises sales and sampling for Class 5 breweries limited the sale and sampling to 500 barrels of beer. Chapter 813 of 2017 made, among other things, three significant changes to the manner in which Class 5 breweries are regulated in the State.

First, Chapter 813 increased the volume of its own beer that a Class 5 brewery may sell each year for on-premises consumption from 500 barrels to 2,000 barrels or, under certain circumstances, to 3,000 barrels. Second, Chapter 813 expressly authorized contract brewed beer and allowed the contract brewed beer produced at another location to be sold and sampled at the brewery in limited quantities. Third, Chapter 813 made changes to the hours during which a brewery may sell and serve beer for on-premises consumption.

In response to the passage of Chapter 813 meetings numerous bills were proposed that would have expanded or limited the privileges of breweries in the State. *House Bill 1052 (failed)* would have partially repealed Chapter 813, so that the law only applied to the Guinness brewery opening in Baltimore County. *House Bill 518 (failed)*, entitled the Reform on Tap Act of 2018 and drafted after a series of meetings held throughout the State by the Comptroller, would have significantly expanded the privileges conferred by any type of brewery license related to

production limits, onsite sale and sampling, and distribution. *Senate Bill 839/House Bill 1015 (both failed)* would have allowed a brewery that obtained a limited wholesaler's license to directly distribute any amount of its own product instead of being limited to 3,000 barrels. *Senate Bill 1044/House Bill 1176 (both failed)*, *Senate Bill 1017/House Bill 1148 (both failed)*, *Senate Bill 609 (failed)*, and *Senate Bill 406 (failed)* would have expanded Class 5 brewery privileges related to the onsite sampling and sale of beer.

Wineries

Class 4 Limited Wineries

A Class 4 limited winery license, issued by the Comptroller, authorizes the sale and sampling of wine and pomace brandy produced by the license holder for consumption. Among other things, a license holder may distill and bottle up to 1,900 gallons of pomace brandy made from available Maryland agricultural products. *House Bill 972 (passed)* establishes stricter requirements for a business to obtain a Class 4 limited winery license. Specifically, the bill changes the broad requirement that a licensee use Maryland agricultural products to produce wine and pomace brandy to instead require the licensee to own or have under contract at least 20 acres of grapes or other fruit in cultivation in the State for use in the production of wine or ensure at least 51% of the ingredients used in alcoholic beverages production are grown in the State. The Secretary of Agriculture each year may grant a one-year exemption to an applicant from the 51% requirement. The bill will not apply until May 1, 2022, to any person who holds a Class 4 license on or before June 30, 2018.

Class 6 Limited Wine Wholesaler's License

A holder of a Class 4 limited winery license whose winery produces no more than 27,500 gallons of its own wine annually may obtain a Class 6 limited wine wholesaler's license. The Class 6 license allows the winery to sell and deliver its own wine produced at the licensed premises to a retailer or other person authorized to acquire the wine; however, a license holder may not sell the wine to another wholesaler. *House Bill 896 (passed)* increases the annual amount of wine that can be produced, sold, and delivered by the holder of a Class 4 limited winery license that also has a Class 6 limited wine wholesaler's license from 27,500 gallons to 35,000 gallons. The bill also authorizes a Class 6 license holder to sell its wine to a holder of a wholesaler's license.

Distilleries

There are two types of manufacturer's license issued in the State that authorize the production of liquor. A Class 1 distillery license authorizes the establishment and operation of a plant for distilling brandy, rum, whiskey, alcohol, and neutral spirits at the location described in the license. Similarly, a Class 9 limited distillery license, which may be issued to a holder of certain Class B or D beer, wine, and liquor licenses, authorizes the license holder to distill, rectify, bottle, or sell up to 100,000 gallons of the same types of alcoholic beverages; however, the Class 9

license holder may sell at retail on the premises of the Class D or Class B license only 15,500 gallons of liquor each year.

Senate Bill 384 (passed) increases the annual amount of liquor that may be sold at retail under a Class 9 limited distillery license to 31,000 gallons.

Manufacturer Off-site Permits

The Harford County Farm Fair is an annual event celebrating Harford County’s agricultural heritage and features rides, farm animals, and food, among other attractions. *House Bill 270 (passed)* allows the holder of a brewery off-site permit or a winery off-site permit to use the permit to sell and provide samples of beer or wine at this fair.

Retail Sales of Alcoholic Beverages

Licenses from Multiple Jurisdictions

A Class B beer, wine, and liquor license allows a restaurant, hotel, or motel to sell alcoholic beverages for consumption on- and/or off-premises, depending on the license. State law generally limits the number of alcoholic beverages licenses that may be issued to a single license holder to one; however, there are exceptions in some jurisdictions. For example, with certain specified requirements, Montgomery County authorizes a single license holder to obtain up to 10 Class B beer, wine, and liquor licenses.

House Bill 1003 (passed) authorizes a single individual to hold multiple Class B beer, wine, and liquor licenses or equivalent licenses issued by different local licensing boards for restaurants, hotels, or motels. The number of licenses that a single individual may hold is only limited by the cap imposed by each local licensing board on the licenses that the board issues. The licenses may be issued for use by the license holder, a partnership, a corporation, an unincorporated association, or a limited liability company.

Sale of Powdered Alcohol

The Alcohol and Tobacco Tax and Trade Bureau of the U.S. Department of the Treasury approved labels for Palcohol, a brand of powdered alcohol, on March 10, 2015, making it legal for Palcohol to be sold in the United States. Palcohol is a prepackaged powder that can be dissolved in a liquid to produce an alcoholic beverage. Additionally, the U.S. Food and Drug Administration has determined that the nonalcohol ingredients in Palcohol comply with agency regulations.

Chapter 475 of 2015 prohibited a person from selling or offering for sale alcoholic beverages that are sold in powder or crystalline form to be used directly or in combination with water or any other substance. The prohibition initially terminated on June 30, 2016; however, Chapter 564 of 2016 extended the prohibition for two years so that it terminates June 30, 2018. *Senate Bill 253/House Bill 213 (both passed)* make permanent this prohibition.

Individuals with Intellectual Disabilities

Senate Bill 461/House Bill 287 (both passed) repeal provisions of law applicable in specified counties that prohibit a license holder or employee from knowingly selling or providing an alcoholic beverage to an individual with an intellectual disability or to an individual if a family member or guardian has given written notice to the license holder or employee under certain circumstances.

Alcoholic Beverages

Local Bills

Allegany County

Class B-TM (Theater/Museum) License: Senate Bill 645/House Bill 1068 (both passed) establish a Class B-TM (theater/museum) beer, wine, and liquor license for the use of a theater/museum that has a ballroom with seating for a maximum of 300 individuals per event. The license authorizes the license holder to sell at retail beer, wine, and liquor for on-premises consumption and in conjunction with a regular exhibit opening or a fund-raising event for the benefit of the theater/museum.

Annapolis

Bookstore License: Senate Bill 150 (passed) establishes a bookstore beer and wine license in the City of Annapolis. The license authorizes the sale of beer and wine for consumption in a bookstore during a public lecture, reading, discussion, or similar bookstore event. To be eligible for the license, a bookstore must derive at least 70% of its revenue from the sale of books. Average daily sales derived from alcohol beverages may not exceed 17% of the bookstore's total average daily sales.

Baltimore City

Continuing Care Retirement Community License: Senate Bill 802/House Bill 245 (both passed) authorize the Baltimore City Board of License Commissioners to issue a continuing care retirement community license. The license authorizes the license holder to sell beer, wine, and liquor for on-premises consumption to a resident or the guest of a resident of the continuing care retirement community.

Class A-7 License: A holder of a Class B-D-7 beer, wine, and liquor license may sell beer, wine, and liquor for off-sale consumption but also must sell beer, wine, and liquor for on-premises consumption as well. For years, certain Class B-D-7 license holders have sought authorization to sell for off-premises consumption only, as they have found conducting an on-premises operation too burdensome. In response to this request, *Senate Bill 519 (passed)* creates a Class A-7 beer, wine, and liquor license. The license holder is authorized to sell beer, wine, and liquor at retail at the place described in the license for off-premises consumption only. A license holder of a valid

Class B-D-7 beer, wine, and liquor license issued on or before July 1, 2018, may apply to the Baltimore City Board of License Commissioners to exchange the license for a Class A-7 license if the license holder first obtains approval by resolution of the Baltimore City Council. The board may not issue a Class A-7 license after July 1, 2020. In the 46th legislative district, a Class B-D-7 license may be exchanged for a Class A-7 license only if the Class B-D-7 license was issued for an establishment operating in a planned use development.

License Issuance, Transfer, and Expiration: *Senate Bill 616 (passed)* establishes a marketplace license in the 43rd alcoholic beverages district and authorizes the Baltimore City Board of License Commissioners to issue two Class B-D-7 licenses in the 2100 block of North Charles Street and two Class B-D-7 licenses in the 2100 block of Maryland Avenue of the district. The bill requires that, notwithstanding existing transfer restrictions into specific areas of Baltimore City, specified Class B-D-7 BWL licenses issued for premises in the 2200 block of West North Avenue and 2000 block of North Charles Street are to be considered unexpired until the end of July 1, 2019, for purposes of completing a transfer to another owner at the same location.

The bill also specifies that the board may only issue a Class BWLT beer, wine, and liquor (on premise) tasting license to a holder of a Class A-7 BWL license in the 46th legislative district contingent on the enactment of ***Senate Bill 519***.

Suspension Based on Unpaid Personal Property Tax: *Senate Bill 401/House Bill 789 (Chs. 74 and 73)* alter the annual deadline from June 30 to October 30 for an alcoholic beverages license holder to present to the Baltimore City Board of License Commissioners a certificate showing that all State and local personal property taxes have been paid.

License Application Newspaper Notice: *Senate Bill 399 (passed)* requires the Baltimore City Board of License Commissioners to publish notice of an alcoholic beverages license application in two newspapers instead of three.

Board of License Commissioners – Notice of Legislative Proposals: *Senate Bill 1200 (passed)* requires the Baltimore City Board of License Commissioners to notify the following persons regarding any legislative proposal the board intends to submit to the Baltimore City Delegation to the General Assembly for introduction as a bill at least three months before the start of the annual regular session of the General Assembly: (1) the Mayor of Baltimore City; (2) the Baltimore City Council; and (3) community and residential groups in the city that have opted to receive notices from the board.

Hours of Sale – References to Park Heights Redevelopment Area: *Senate Bill 809/House Bill 22 (both passed)* remove the hours of sale restrictions that apply to the following alcoholic beverages license holders located in an area bounded by Liberty Heights Avenue, Northern Parkway, Druid Park Drive, and Wabash Avenue: (1) a Class B beer and light wine; (2) a Class B beer, wine, and liquor; (3) a Class C beer and light wine; and (4) a Class C beer, wine, and liquor. The bills also modify the hours of sale for specified licenses in the bounded area and remove references to the “Park Heights Redevelopment Area” in provisions that pertain to the hours of sale for beer and light wine and beer, wine, and liquor licenses.

Board of License Commissioners – New Licenses, Waivers, and License Transfers: *Senate Bill 118 (passed)* requires that an appointment to the Baltimore City Board of License Commissioners made by the mayor and president of the city council when the Senate is not in session be subject to the advice and consent of the Senate when the Senate next convenes.

Additionally, the bill authorizes the board to issue a Class D beer, wine, and liquor license to an applicant who holds or has applied for a Class 9 limited distillery license in the 46th alcoholic beverages district. Once issued, a Class D beer, wine, and liquor license in the 46th alcoholic beverages district may be transferred only to a holder of a Class 9 limited distillery license.

The bill authorizes the board to allow the transfer of (1) a Class B-D-7 beer, wine, and liquor license from an area in ward 1, precinct 4 to an area in ward 1, precinct 5 and (2) a Class D beer, wine, and liquor license from an area in ward 1, precinct 5, to an area in ward 1, precinct 4, as specified.

The bill authorizes the board to waive the minimum capital investment and seating capacity requirements for an additional restaurant that a license holder of a Class B restaurant beer, wine, and liquor license seeks, as specified. Finally, the bill extends the expiration of a Class D (seven-day) beer and light wine license for a premises in the 600 block of South Montford Avenue in ward 1, precinct 3 until July 1, 2019, for the purpose of a transfer.

Reissuance of Licenses (Community Liquor Empowerment Act of 2018): *House Bill 905 (passed)* authorizes the Baltimore City Board of License Commissioners to reissue a Class B-D-7 beer, wine, and liquor license as a seven-day beer, wine, and liquor (package goods) license if the licensed premises is (1) within the 41st legislative district and (2) equipped with high-definition cameras that provide continuous, 24-hour monitoring inside and outside the licensed premises. The bill also establishes additional fines on a license holder for selling alcohol to underage individuals.

Change of Location of Class B-D-7 License: *House Bill 114 (passed)* changes the location where the Baltimore City Board of License Commissioners may issue a certain Class B-D-7 license in the 45th alcoholic beverages district.

Baltimore County

Authorization for Issuing an Additional Class B License – Repealed: *House Bill 1395 (passed)* repeals the authorization for the Baltimore County Board of License Commissioners to issue an additional Class B (on-sale – hotels and restaurants) beer, wine, and liquor license for premises used as a restaurant under specified circumstances and to define “restaurant” by regulation.

Class B Beer, Wine, and Liquor License: *House Bill 1396 (passed)* repeals specified requirements for the issuance of a Class B beer, wine, and liquor license to an owner of a hotel that meets specified criteria, including the requirement that the hotel have a capital investment of at least \$500,000.

Education Conference Facility/Dining Service License: *Senate Bill 1144 (passed)* establishes a Class B Education Conference Facility/Dining Service beer, wine, and liquor license and authorizes the Baltimore County Board of License Commissioners to issue the license to an individual who is (1) authorized by the University of Maryland, Baltimore County to act on behalf of the campus under the license and be subject to specified penalties, conditions, and restrictions and (2) a resident of the State.

Expiration of Alcoholic Beverages Licenses: *House Bill 1410 (passed)* extends, from 180 days to one year, the period of time after which an alcoholic beverages license expires when the license holder has closed the business or stopped alcoholic beverages operations. The submission of a request for a hardship extension must automatically extend the life of the license for two years after the date of the closing or stopping of business operations. A hardship extension may not prolong the life of an inactive license beyond the total of two years after the date of closing or stopping of alcoholic beverages business operations and any time during which the license is suspended under specified circumstances.

Interest in Multiple Licenses: *House Bill 1393 (passed)* clarifies that the prohibition against a person having an interest in more than one alcoholic beverages license issued by the Baltimore County Board of License Commissioners does not apply to a license issued for a hotel.

License Transfers: *Senate Bill 306/House Bill 334 (Chs. 80 and 79)* increase, from three to five years, the length of time within which an application for a transfer of an alcoholic beverages license originally issued to a contract purchaser, an owner of the premises, or a developer must occur. The Acts also expand the circumstances under which the Baltimore County Board of License Commissioners may approve a change of location of an alcoholic beverages license.

Multiple Class B Licenses: *House Bill 1575 (passed)* (1) clarifies that the Baltimore County Board of License Commissioners may allow a person to obtain an interest in up to 12 Class B beer, wine, and liquor licenses regardless of the number of licenses issued in another jurisdiction or state; (2) repeals provisions related to the minimum dining seating capacity and the maximum size of a cocktail lounge or bar; (3) increases, from 40% to 49%, the maximum amount of sales in alcoholic beverages in connection with the business; (4) requires a restaurant that is issued a second or subsequent Class B beer, wine, and liquor license to have a minimum capital investment of \$250,000 for restaurant facilities; and (5) specifies that a second or subsequent Class B beer, wine, and liquor license does not confer an off-sale privilege.

Caroline County

Bed and Breakfast License: *Senate Bill 1072/House Bill 1422 (both passed)* establish a seven-day Class B bed and breakfast on-sale beer, wine, and liquor license and authorizes the Caroline County Board of License Commissioners to issue a license to a license holder who is approved by the appropriate local governmental unit to operate a bed and breakfast that meets specified criteria. The license authorizes the license holder to sell beer, wine, and liquor for on-premises consumption to a guest of a catered event at the bed and breakfast under specified circumstances or at an event hosted by the license holder for which tickets are sold in advance.

Cecil County

Alcohol Awareness Program: Senate Bill 1057/House Bill 411 (Chs. 67 and 68) require a license holder to ensure that (1) each employee in a supervisory capacity and each bartender are certified by an approved alcohol awareness program and (2) at least one certified individual is present during the hours in which alcoholic beverages may be sold. A license holder who violates these requirements is subject to, for a first offense, a \$100 fine. For each subsequent offense, the license holder is subject to a fine of up to \$500, a suspension or revocation of the license, or both. If at least five years has elapsed since a holder has been cited for a violation, a subsequent violation must be considered a first offense.

Dorchester County

Beer and Wine Festivals: Senate Bill 51/House Bill 297 (Chs. 55 and 54) authorize the Dorchester County Board of License Commissioners to approve more than one beer and wine festival each year. The Acts require the board to approve, rather than choose, a location for a festival that is not already licensed, and prohibits the board from approving more than one festival for any one weekend.

Class C Per Diem Licenses – Catering Club Events: Senate Bill 140/House Bill 298 (Chs. 57 and 56) specify that a holder of a Class C per diem beer license, a Class C per diem beer and wine license, or a Class C per diem beer, wine, and liquor license may only cater an event conducted by a club.

Place-of-worship or School Distance Restrictions: Senate Bill 3/House Bill 321 (Chs. 53 and 52) exempt the issuance of a Class B (on-sale) beer, wine, and liquor license in the Town of Hurlock from the general prohibition against issuing an alcoholic beverages license to an establishment that is within 300 feet of a place of worship or a public or nonpublic school.

Frederick County

Arena License: Senate Bill 220/House Bill 506 (Chs. 93 and 94) establish a Class B-A (arena) beer and wine license. The license authorizes the license holder to sell beer and wine by the drink on the campus of an institution of higher education from one or more outlets that the Frederick County Board of License Commissioners approves and for on-premises consumption at sporting and nonsporting events held at the institution.

Banquet Facility License: Senate Bill 263/House Bill 507 (Chs. 95 and 96) repeal the capital investment requirement for a Class B-BF (banquet facility) beer, wine, and liquor license. Instead, the Acts require a full commercial kitchen and adequate public bathroom facilities.

Seating Requirement for Class B Licenses: Senate Bill 219/House Bill 501 (Chs. 91 and 92) lower the minimum dining room seating capacity to 28 individuals from 50, for the following Class B license holders: (1) a Class B luxury-type restaurant in the Ballenger (23rd) election district; (2) a Class B beer, wine, and liquor hotel or motel license; and (3) a Class B beer, wine, and liquor hotel or restaurant license.

Wine Privilege – Cheese and Deli Shops: *Senate Bill 447/House Bill 762 (both passed)* establish a cheese and deli shop wine privilege for Class A beer and wine license holders. The cheese and deli shop wine privilege authorizes a license holder to sell up to five ounces of wine by the glass for on-premises consumption by a customer while (1) purchasing items at the cheese and deli shop or (2) attending a fund-raising event at the cheese and deli shop for which a permit has been issued, if required by the Department of Permits and Inspections.

Ethics and Campaign Activity – Governing Body, County Board and Commission Members, and Board of License Commissioners: *Senate Bill 289/House Bill 630 (both passed)* require specified board and commission members in the county, including the Frederick County Board of License Commissioners, to vacate their position on the board or commission after opening a campaign account under State campaign finance law. For a further discussion of ***Senate Bill 289*** and ***House Bill 630***, see the subpart “Ethics” within Part C – State Government of this *90 Day Report*.

Garrett County

Alcoholic Beverages Act of 2018: *House Bill 1401 (passed)* establishes the Garrett County Beer and Wine Festival, and authorizes the festival organization to conduct the festival annually on the second Saturday of September under the supervision of the Garrett County Board of License Commissioners. The bill also establishes the following alcoholic beverages licenses: (1) an art establishment license; (2) a Class C beer and wine street festival license; (3) a beer and wine festival license; and (4) a Class BWLT beer, wine, and liquor tasting license.

Harford County

Applications for Licenses and Transfers: *House Bill 901 (Ch. 135)* alters the ownership requirements for applicants for several classes of alcoholic beverages licenses on behalf of a corporation, unincorporated entity, or limited liability company and transfers of specified alcoholic beverages licenses.

Class DBR Licenses: *Senate Bill 441 (passed)* prohibits the Harford County Board of License Commissioners from issuing more than two Class DBR licenses to the same person. The bill also authorizes a Class DBR license holder to sell beer brewed at the brewery for on- and off-premises consumption to the extent the license holder is allowed to do so under the holder’s Class 5 brewery license.

Clubs, Firehouses, and Multiple Event Licenses: *House Bill 900 (Ch. 134)* authorizes a holder of specified Class C-1, C-2, or C-3 beer, wine, and liquor club license to sell or provide beer, wine, or liquor for on-premises consumption to nonmembers of the club and guests who attend an event. The Act also authorizes a fire department in the county to sell or provide beer and wine for on-premises consumption at an entertainment event held by the fire department or by a person who has rented or leased an area of the licensed premises for an event and guest. Lastly, the Act repeals the Class C-3 multiple event (on-sale) beer, wine, and liquor license.

License Fees: *House Bill 897 (Ch. 133)* repeals certain additional fees for Class BNR (newly opened restaurant) beer, wine, and liquor licenses with off-sale liquor privileges.

Notice of Public Hearings on Regulations: *House Bill 753 (Ch. 132)* authorizes the Harford County Board of License Commissioners to advertise hearings on proposed changes to alcoholic beverages regulations in at least one newspaper of general circulation published in the county and on the board's website, rather than in at least two newspapers of general circulation in the county.

Per Diem Licenses: *House Bill 743 (passed)* authorizes a simple majority of the members of the Harford County Board of License Commissioners to act to approve or deny an application for a per diem license. The bill also prohibits the board from requiring the publication of an application for a per diem license as a prerequisite to issuing the license.

Social Organization: *House Bill 1498 (Ch. 137)* authorizes the Harford County Board of License Commissioners to issue a six- or seven-day Class C-3 beer, wine, and liquor license to a social organization that meets specified criteria. The social organization may be operated for-profit or not-for-profit. A social organization granted a Class C-3 beer, wine, and liquor license may sell beer, wine, and liquor on Monday through Sunday, from 4 p.m. to 11 p.m.

Stadium License: *House Bill 1343 (passed)* repeals restrictions on a stadium beer, wine, and liquor license that (1) only allow an individual to serve liquor during a baseball game on the club level or in a dining area where patrons are seated and (2) prohibits a license holder from allowing a roving vendor to dispense beer in the stadium. The bill also repeals the requirement that the Harford County Board of License Commissioners only issue a stadium beer, wine, and liquor license to a stadium owned by the City of Aberdeen.

Sunday Sales at a Bar or Counter: *House Bill 1001 (Ch. 136)* repeals the prohibition against a holder of a (1) Class B beer and wine license; (2) Class C beer and wine license; (3) Class B beer, wine, and liquor license; (4) Class B-3 beer, wine, and liquor license; or (5) Class C-1, C 2, or C-3 beer, wine, and liquor license from selling alcoholic beverages at a bar or counter on Sunday.

Wine Festival License – Repeal: *House Bill 752 (Ch. 131)* repeals the wine festival (WF) license.

Howard County

Class 7 Micro-brewery License and Multiple Class B and Class BLX Beer, Wine, and Liquor Licenses: *House Bill 1053 (Ch. 139)* authorizes the Comptroller to issue a Class 7 micro-brewery license to a license holder that holds no more than five (increased from two) Class B and no more than six (decreased from seven) Class BLX beer, wine, and liquor licenses. The Act increases, from two to five, the number of Class B (on-sale) beer, wine, and liquor licenses that may be issued to an individual or a person. The Act also allows the licensed premises for which a Class 7 micro-brewery license is issued to be separate from the restaurant premises for

which a Class B beer, wine, and liquor license is issued, but requires both premises to be under the same roof.

Class C License and Class C and Class D Per Diem Entertainment Venue Licenses: *House Bill 1325 (Ch. 142)* establishes and sets criteria for (1) a seven-day Class C beer, wine, and liquor license; (2) a Class C per diem entertainment venue beer, wine, and liquor license; and (3) a Class D per diem entertainment venue beer, wine, and liquor license. Under the Act, “entertainment venue” means a facility that is used as a cinema, theater, amphitheater, concert hall, or sports stadium.

Kent County

Alcoholic Beverages – Licenses: *Senate Bill 172/House Bill 300 (both passed)* repeal the requirement in Kent County that the average daily receipts from the sale of food in a restaurant with a Class B BW or a Class B beer, wine, and liquor license must be at least 60% of the average daily receipts of the business. Instead, all restaurants must have average daily receipts from the sale of food of at least 25% of the average daily receipts of the business. The bills also repeal a beer or wine tasting license and replace it with a beer, wine, and liquor tasting license; set the hours of sale for specified licenses to be from 6 a.m. to 2 a.m. the following day; and clarify facility requirements for a Class B beer and wine license and a Class B beer, wine, and liquor license.

Montgomery County

Alcohol Modernization Act of 2018: *House Bill 178 (Ch. 125)* makes numerous changes to the alcoholic beverages law in Montgomery County including: (1) allowing county-owned dispensaries to sell wine in refillable containers and beer in refillable and nonrefillable containers; (2) lifting the prohibition against dispensaries selling soft drinks; (3) allowing certain licenses to be used in conjunction with a bowling alley or billiard hall; (4) allowing Class B beer, wine, and liquor licenses to be issued anywhere in the county; (5) expanding the hours of sale for many types of license; (6) repealing a prohibition against a pharmacy using or dispensing alcoholic beverages that are not purchased from the county; and (7) allowing an individual at least 18 years old and under the age of 21 years to be employed in the sale of liquor.

Class 7 Micro-brewery License – Issuance: *House Bill 146 (passed)* adds the holder of a Class BD-BWL (beer, wine, and liquor) license to the list of license holders eligible to be issued a Class 7 micro-brewery license. The bill also specifies the privileges of certain license holders eligible to be issued a Class 7 micro-brewery license.

Class C Per Diem Licenses: *House Bill 148 (Ch. 120)* authorizes the holder of a Class C per diem license to purchase alcoholic beverages from (1) a county Department of Liquor Control (DLC) warehouse; (2) a DLC-run dispensary; (3) a manufacturer with a self-distribution license or permit; or (4) a retail dealer licensed to sell for off-premises consumption.

Basket of Cheer Permit: *House Bill 159 (Ch. 122)* establishes the basket of cheer permit. The permit must be issued (at no cost) by the Montgomery County Board of License Commissioners to the holder of a Class C per diem beer and wine license or a Class C per diem

beer, wine, and liquor license. The permit authorizes alcoholic beverages to be given out as prizes during a benefit performance.

Country Club Off-sale Permit: *House Bill 144 (Ch. 119)* establishes a country club off-sale permit. The Montgomery County Board of License Commissioners may issue the permit to the holder of a country club license and must set a fee for the permit, which is in addition to the annual fee for the country club license. The country club off-sale permit only allows the sale of wine by the bottle for off-premises consumption under specified circumstances. A holder of the permit may not hold more than 12 tasting events in a calendar year or 2 tasting events in a single month.

Inspections, Food Sales Requirements, and Hours and Days of Sale: *House Bill 177 (Ch. 124)* simplifies an existing food to alcohol sales ratio requirement for Class BD beer, wine, and liquor and Class D beer, wine, and liquor license holders. The Act also (1) authorizes alcoholic beverages to be sold using a Class BD beer, wine, and liquor license on a Sunday from 10 a.m. to 3 a.m. the following day when that following day is designated as a federal public holiday, instead of only on specified holidays; (2) decreases how often the licensed premises for certain alcoholic beverages licenses must be physically inspected during the initial license year; and (3) repeals a requirement that certain licensees submit monthly statements showing alcohol and food sales for the preceding month during the initial license year.

Town of Kensington Alcoholic Beverages Licenses: *House Bill 145 (passed)* makes numerous changes to the manner in which alcoholic beverages licenses are regulated in the Town of Kensington, including prohibiting the Comptroller from issuing more than two Class 7 micro-brewery licenses to holders of Class D beer and wine licenses in the town. The bill also expressly authorizes the Montgomery County Board of License Commissioners to issue a catering extension to a person that has a Class B-K beer, wine, and liquor license in Kensington. The number and type of licenses that may be issued for use in certain commercial areas in Kensington are changed so that a total of four licenses may be issued, instead of three. The licenses may be Class A-K (off-sale) beer and wine licenses, Class D-K beer licenses, and Class D-K beer and wine licenses. The holders of these licenses are authorized to sell single bottles or cans of beer and sell refrigerated products; however, they are still not allowed to advertise alcoholic beverages in a publicly visible location. The bill also alters the ratio of gross receipts between certain food and alcoholic beverages for a Class B-K license holder.

St. Mary's County

Leonardtown – Disposition of Alcoholic Beverages Licenses Fees: *House Bill 107 (Ch. 107)* codifies current practice by clarifying that the county treasurer must pay over to the Commissioners of Leonardtown specified fees received for all licenses issued for premises “within the limits of the incorporated Town of Leonardtown,” instead of premises “in Leonardtown.”

Per Diem Beer License Fee: *House Bill 105 (Ch. 106)* codifies current practice by specifying that the fee for a Class C per diem beer license is \$10 per period for which the license is issued, instead of \$10 per day.

Washington County

Per Diem Licenses: *Senate Bill 322/House Bill 1320 (Chs. 98 and 97)* repeal the Class C per diem beer, Class C per diem beer and wine, and Sunday picnic alcoholic beverages licenses. The Acts also alter provisions relating to the Class C per diem beer, wine, and liquor license and expand the eligibility for the license to include a corporation, a society, an organization, an association, or any other entity that does not have an annual on-sale beer, wine, and liquor license and has nonprofit status or a federal identification number. A separate Class C per diem beer, wine, and liquor license is required for each day of a multiple day event.

Serving Underage Individuals – Penalties: *Senate Bill 324 (passed)* alters provisions relating to the serving or providing alcoholic beverages to an individual under the age of 21 by (1) removing the defense that the individual was not a resident of the State; (2) altering the existing tiered penalty structure for an employee who violates the prohibition; and (3) establishing additional penalties for an employee’s failure to pay any fine imposed. The bill also prohibits the Washington County Board of License Commissioners from proceeding administratively against an employee of a license holder until after an employee is granted probation before judgment or found guilty.

Tasting Licenses: *Senate Bill 340/House Bill 1156 (both passed)* authorize the Washington County Board of License Commissioners to issue existing beer, wine, and liquor tasting licenses to a holder of *any* class of beer, wine, and liquor licenses, instead of just certain Class A and Class B licenses. The bills modify existing tasting license requirements pertaining to license fees, consumption limits, and time restrictions on tasting events.