

HOUSE BILL 801

A2

5lr2373
CF SB 750

By: **Washington County Delegation**

Introduced and read first time: February 13, 2015

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 3, 2015

CHAPTER _____

1 AN ACT concerning

2 **Washington County – Alcoholic Beverages – Conversion of Class P Licenses**

3 FOR the purpose of establishing in Washington County a Class B beer (on–sale) license, a
4 Class B beer and light wine (on–sale) license, and a Class B beer, wine and liquor
5 (on–sale) license; specifying certain license fees; repealing provisions of law
6 concerning a Class P pouring license; authorizing the Washington County Board of
7 License Commissioners to issue a sidewalk cafe license to a holder of certain Class
8 B licenses under certain circumstances; authorizing the Board to issue certain Class
9 B (on–sale) licenses only if an applicant is a restaurant that meets certain
10 requirements; specifying that certain Class B (on–sale) licenses are not subject to
11 certain population ratio quota requirements; specifying that the Class B (on–sale)
12 licenses authorize the holder to sell certain alcoholic beverages for on–premises
13 consumption; specifying the term of Class B (on–sale) licenses; requiring a license
14 holder to comply with a request from the Board to submit certain information for a
15 certain report under certain circumstances; specifying standards for the information
16 contained in a certain report submitted to the Board; providing for the conversion of
17 certain Class P licenses to Class B (on–sale) licenses or Class D (on–sale) licenses on
18 a certain date; requiring a license holder, as a condition of having a Class P license
19 converted, to submit a certain report under certain circumstances; requiring a
20 certain applicant to attest that the applicant will comply with a certain requirement
21 under certain circumstances; making conforming changes; defining certain terms;
22 and generally relating to alcoholic beverages licenses in Washington County.

23 BY repealing and reenacting, without amendments,
24 Article 2B – Alcoholic Beverages

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 3–201(a), 5–201(a), and 6–201(a)
 2 Annotated Code of Maryland
 3 (2011 Replacement Volume and 2014 Supplement)

4 BY repealing and reenacting, with amendments,
 5 Article 2B – Alcoholic Beverages
 6 Section 3–201(w), 5–201(w), 6–201(w), 6–709, 8–222, and 9–222
 7 Annotated Code of Maryland
 8 (2011 Replacement Volume and 2014 Supplement)

9 BY adding to
 10 Article 2B – Alcoholic Beverages
 11 Section 8–222.1
 12 Annotated Code of Maryland
 13 (2011 Replacement Volume and 2014 Supplement)

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

16 **Article 2B – Alcoholic Beverages**

17 3–201.

18 (a) (1) A Class B license shall be issued by the license issuing authority of the
 19 county in which the place of business is located. The holder of the license may keep for sale
 20 and sell beer at retail at any hotel or restaurant at the place described in the license for
 21 consumption on the premises or elsewhere.

22 (2) The annual fee for the license shall be paid to the local collecting agent
 23 before any license is issued, for distribution as provided.

24 (w) In Washington County, the annual license fee **FOR A LICENSE WITH:**

25 (1) ~~ON AND OFF-SALE PRIVILEGES~~ ON-SALE PRIVILEGES, AS
 26 PROVIDED FOR UNDER § 8–222.1 OF THIS ARTICLE, is \$50; OR

27 (2) ~~ON-SALE PRIVILEGES, AS PROVIDED FOR UNDER § 8–222.1 OF~~
 28 ~~THIS ARTICLE, ON- AND OFF-SALE PRIVILEGES IS \$350.~~

29 5–201.

30 (a) (1) A Class B beer and light wine license shall be issued by the license
 31 issuing authority of the county in which the place of business is located. The holder may
 32 keep for sale and sell beer and light wines at retail at any hotel or restaurant, at the place
 33 described in the license, for consumption on the premises or elsewhere.

1 (2) The annual fee shall be paid to the local collecting agent before any
2 license is issued.

3 (w) In Washington County, the annual license fee **FOR A LICENSE WITH:**

4 (1) ~~ON AND OFF-SALE PRIVILEGES~~ ON-SALE PRIVILEGES, AS
5 PROVIDED FOR UNDER § 8-222.1 OF THIS ARTICLE, is \$200; OR

6 (2) ~~ON-SALE PRIVILEGES, AS PROVIDED FOR UNDER § 8-222.1 OF~~
7 ~~THIS ARTICLE~~, ON- AND OFF-SALE PRIVILEGES IS \$400.

8 6-201.

9 (a) (1) A Class B beer, wine and liquor license shall be issued by the license
10 issuing authority of the county in which the place of business is located, and the license
11 authorizes its holder to keep for sale and sell all alcoholic beverages at retail at any hotel
12 or restaurant at the place described, for consumption on the premises or elsewhere, or as
13 provided in this section.

14 (2) The annual fee for this license is payable to the local collecting agent
15 before any license is issued, for distribution as provided in this article.

16 (3) (i) Except in Montgomery County or in the case of a contrary
17 provision in this subtitle, this license shall be issued, on approval of the application by the
18 board of license commissioners in any county in which a license may be issued for the sale
19 of beer, wine, and liquor, to the owner of any hotel which meets the following minimum
20 provisions:

21 1. The hotel building shall be originally constructed for hotel
22 purposes; be at least three stories in height; and contain at least one passenger elevator;

23 2. The hotel shall contain no less than 100 rooms for the
24 accommodation of the public;

25 3. The hotel shall contain a dining room with facilities for
26 preparing and serving regular meals for at least 125 persons at one seating; and

27 4. The capital investment in the hotel facility may not be less
28 than \$500,000.

29 (ii) The annual fee for this license is \$2,000.

30 (w) (1) This subsection applies only in Washington County.

31 (2) The annual license fee **FOR A LICENSE WITH:**

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1 (I) ON- AND OFF-SALE PRIVILEGES is \$1,000; OR

2 (II) ON-SALE PRIVILEGES, AS PROVIDED FOR UNDER § 8-222.1
3 OF THIS ARTICLE, IS \$750.

4 (3) (i) There is a Class B-theater license.

5 (ii) The annual license fee is \$200.

6 (iii) The Board of License Commissioners may issue a Class B beer,
7 wine and liquor on-sale license for use in a theater.

8 (iv) To qualify for a license under this paragraph the theater shall:

9 1. Be operated by a nonprofit organization;

10 2. Appear on the National Register of Historic Places;

11 3. Accommodate at least 1,400 persons; and

12 4. Be located on the south side of Hagerstown.

13 (v) The holder of a license issued under this paragraph is authorized
14 to sell beer, wine, and liquor for on-premises consumption only to persons who are
15 attending a performance or an event that is held at the theater.

16 6-709.

17 (a) (1) This section applies only in Washington County.

18 (2) In this section, "Board" means the Board of License Commissioners.

19 (b) The Board may issue a caterer's license to a holder of a [pouring license or a]
20 Class B restaurant or hotel (on and off-sale) beer, wine and liquor license.

21 (c) The annual license fee is \$1,500.

22 (d) A caterer's license issued under this section authorizes the holder to provide
23 alcoholic beverages at events that are held off the premises covered by the [pouring license
24 or the] Class B restaurant or hotel (ON- AND OFF-SALE) license.

25 (e) The holder shall prepare, deliver, and provide food as well as alcoholic
26 beverages for consumption at the catered event.

27 (f) Before a caterer's license may be issued, reissued, or renewed, the county
28 health department shall approve the facilities that prepare the food.

1 (g) A holder may exercise the privileges under this license only during the hours
2 and days that are allowed under this article for the underlying [pouring license or] Class
3 B restaurant or hotel (ON- AND OFF-SALE) license.

4 (h) This section does not require a holder of an existing [pouring license or] Class
5 B restaurant or hotel (ON- AND OFF-SALE) license to have a caterer's license for catering
6 on the premises that is covered by the existing license.

7 (i) The holder of a caterer's license shall:

8 (1) Provide all the service employees to serve the alcoholic beverages at the
9 catered event; and

10 (2) Ensure that at least one of those employees is certified by an alcohol
11 awareness program and on the premises at all times during the catered event.

12 8-222.

13 (a) This section applies only in Washington County.

14 (b) (1) The operators of any amusement park, whether individual, association
15 of individuals, or a corporation, may be entitled to a license for the sale of beer within the
16 confines of its park.

17 (2) The fee for such license shall be one hundred dollars (\$100) each
18 calendar year, and shall entitle the holder to sell beer at one or more locations within the
19 park from 8 a.m. to midnight on every day from May 1 to September 30 of each year, except
20 Sundays and election days.

21 (3) Such licensees shall be subject to all laws, rules and regulations
22 applicable in the county to the sale of beer, not inconsistent with the provisions of this
23 section; nothing contained in § 9-102 of this article shall apply to any license issued
24 pursuant to this section.

25 [(c) (1) A separate license, called a Class P "pouring license" may be issued
26 countywide by the Board of License Commissioners.

27 (2) The holder of a Class P "pouring license" may only sell alcoholic
28 beverages for consumption on the premises.

29 (3) The annual fee for each Class P "pouring license" is:

30 (i) \$350 for a beer license;

31 (ii) \$400 for a beer and light wine license;

1 (iii) \$750 for a beer, light wine, and liquor license; and

2 (iv) \$250 for a Sunday sale license.]

3 [(d) (C) (1) In this subsection, “premises” includes the entire stadium facility
4 and the stadium parking lots.

5 (2) The Board of License Commissioners may issue a stadium (on-sale)
6 license to the owner of a professional baseball team franchise.

7 (3) The franchise may be in any form of business organization, including
8 partnership, corporation, and limited liability company.

9 (4) The annual fee is \$2,000.

10 (5) A license entitles the holder to sell beer and light wine:

11 (i) Subject to paragraph (4) of this subsection, for consumption on
12 the licensed premises to persons present at any event held in the stadium;

13 (ii) In plastic, Styrofoam, or paper containers; and

14 (iii) From the time the stadium opens for the event until the event
15 ends.

16 (6) The written approval of the Board of License Commissioners is required
17 before beer and light wine may be sold, served, or consumed:

18 (i) On the parking lots of the stadium; or

19 (ii) During any event other than a baseball game in which the team
20 of the license holder is playing.

21 (7) Except for a wholesaler or distributor of beer and light wine that is
22 conducting business with the license holder, the license holder may not allow any person to
23 carry alcoholic beverages onto or from the licensed premises.

24 [(e) (D) (1) The Board of License Commissioners may issue a sidewalk cafe
25 license to a holder of a Class B [or Class P “pouring license”] **LICENSE OF ANY KIND.**

26 (2) A license entitles the holder to sell and serve alcoholic beverages in an
27 area on the sidewalk directly in front of the licensed establishment.

28 (3) The annual fee is \$500.

29 (4) A sidewalk cafe license may be issued only with an application for a
30 Class B license [or Class P “pouring license”] **OF ANY KIND.**

1 (5) To maintain a sidewalk cafe license, a holder:

2 (i) Shall comply with all rules and regulations applicable to the
3 issuance of the underlying Class B license [or Class P “pouring license”] **OF ANY KIND** and
4 with all municipal ordinances and fire and health department regulations;

5 (ii) Shall ensure that at least one employee is certified by an alcohol
6 awareness program and on the premises at all times during the operation of the sidewalk
7 cafe; and

8 (iii) Shall keep the kitchen open during all hours of operation and
9 have prepared meals available to be served in the sidewalk cafe.

10 (6) A holder may sell or serve alcoholic beverages in the sidewalk cafe from
11 noon to midnight, every day of the week.

12 **8-222.1.**

13 (A) (1) (I) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
14 **MEANINGS INDICATED.**

15 (II) **“BOARD” MEANS THE WASHINGTON COUNTY BOARD OF**
16 **LICENSE COMMISSIONERS.**

17 (III) **“CLASS B (ON-SALE) LICENSE OF ANY TYPE” MEANS:**

18 1. **A CLASS B (ON-SALE) BEER LICENSE;**

19 2. **A CLASS B (ON-SALE) BEER AND LIGHT WINE**
20 **LICENSE; OR**

21 3. **A CLASS B (ON-SALE) BEER, WINE AND LIQUOR**
22 **LICENSE.**

23 (2) **THIS SECTION APPLIES ONLY IN WASHINGTON COUNTY.**

24 (B) (1) **A CLASS B (ON-SALE) LICENSE OF ANY TYPE:**

25 (I) **MAY BE ISSUED COUNTYWIDE BY THE BOARD; AND**

26 (II) **IS NOT SUBJECT TO THE POPULATION RATIO QUOTA**
27 **REQUIREMENTS UNDER § 9-222 OF THIS ARTICLE.**

1 **(2) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE BOARD MAY**
2 **ISSUE A CLASS B (ON-SALE) LICENSE OF ANY TYPE IF THE ESTABLISHMENT FOR**
3 **WHICH THE LICENSE IS ISSUED IS A RESTAURANT THAT:**

4 **(I) IS LOCATED IN A PERMANENT BUILDING WITH AMPLE**
5 **SPACE AND ACCOMMODATIONS;**

6 **(II) COMMONLY OFFERS HOT AND COLD MEALS THAT ARE**
7 **PREPARED, SOLD, AND SERVED TO THE PUBLIC DURING REGULAR BUSINESS HOURS;**

8 **(III) HAS A DINING AREA WITH REGULAR SEATING CAPACITY AT**
9 **TABLES, CHAIRS, AND BOOTHS, THAT, EXCLUDING SEATS AT BARS OR COUNTERS,**
10 **CAN ACCOMMODATE AT LEAST 50 PATRONS; AND**

11 **(IV) IS EQUIPPED WITH SUFFICIENT KITCHEN AND DINING**
12 **FACILITIES FOR REGULARLY PREPARING AND SERVING MEALS TO THE PUBLIC;**

13 **(V) MAINTAINS A MENU THAT ADVERTISES A VARIETY OF FOOD**
14 **THAT THE ESTABLISHMENT SERVES;**

15 **(VI) SERVES FOOD AT ALL TIMES WHENEVER ALCOHOLIC**
16 **BEVERAGES ARE BEING SERVED OR CONSUMED; AND**

17 **(VII) HAS, ON AN ANNUAL BASIS, GROSS SALES OF FOOD AND**
18 **NONALCOHOLIC BEVERAGES THAT EXCEED ITS GROSS SALES OF ALCOHOLIC**
19 **BEVERAGES.**

20 **(C) (1) A CLASS B BEER (ON-SALE) LICENSE AUTHORIZES THE HOLDER**
21 **TO SELL BEER FOR ON-PREMISES CONSUMPTION.**

22 **(2) A CLASS B BEER AND LIGHT WINE (ON-SALE) LICENSE**
23 **AUTHORIZES THE HOLDER TO SELL BEER AND LIGHT WINE FOR ON-PREMISES**
24 **CONSUMPTION.**

25 **(3) A CLASS B BEER, WINE AND LIQUOR (ON-SALE) LICENSE**
26 **AUTHORIZES THE HOLDER TO SELL BEER, WINE, AND LIQUOR FOR ON-PREMISES**
27 **CONSUMPTION.**

28 **(D) THE TERM OF A CLASS B (ON-SALE) LICENSE OF ANY TYPE IS 1 YEAR**
29 **AND BEGINS ON MAY 1 OF EACH YEAR.**

30 **(E) (1) (I) ONCE PER LICENSING CYCLE, A LICENSE HOLDER SHALL**
31 **COMPLY WITH A REQUEST FROM THE BOARD TO SUBMIT A FOOD ALCOHOL RATION**

1 **REPORT COVERING 2 PRECEDING QUARTERS THAT THE BOARD SELECTS TO**
2 **DEMONSTRATE COMPLIANCE WITH THE ANNUAL GROSS SALES REQUIREMENT**
3 **UNDER SUBSECTION (B) OF THIS SECTION.**

4 **(II) TO ENFORCE THIS PARAGRAPH, THE BOARD MAY:**

5 **1. REQUEST THAT A LICENSE HOLDER PROVIDE**
6 **SUPPORTING DATA OR ADDITIONAL INFORMATION;**

7 **2. ISSUE A FINE; OR**

8 **3. SUSPEND A LICENSE.**

9 **(2) AS A PREREQUISITE FOR THE RENEWAL OF A LICENSE UNDER**
10 **THIS SUBSECTION, AN APPLICANT FOR A CLASS B (ON-SALE) LICENSE OF ANY TYPE**
11 **SHALL HAVE DEMONSTRATED COMPLIANCE WITH THE ANNUAL GROSS SALES**
12 **REQUIREMENT UNDER SUBSECTION (B) OF THIS SECTION.**

13 **(3) WHEN SUBMITTING A FOOD ALCOHOL RATION REPORT, THE**
14 **APPLICANT SHALL INCLUDE A CURRENT MENU AND INFORMATION ON HOURS OF**
15 **OPERATION AND SALES AMOUNTS AND PERCENTAGES FOR THE SPECIFIED**
16 **QUARTERS FOR FOOD, NONALCOHOLIC BEVERAGES, AND ALCOHOLIC BEVERAGES.**

17 **(4) THE APPLICANT OR THE APPLICANT'S ACCOUNTANT SHALL**
18 **COMPLETE, SIGN, AND PROVIDE FOR THE NOTARIZATION OF THE FOOD ALCOHOL**
19 **RATION REPORT.**

20 **(F) THE ANNUAL LICENSE FEE:**

21 **(1) FOR A CLASS B (ON-SALE) BEER LICENSE IS SET OUT IN §**
22 **3-201(W) OF THIS ARTICLE;**

23 **(2) FOR A CLASS B (ON-SALE) BEER AND LIGHT WINE LICENSE IS SET**
24 **OUT IN § 5-201(W) OF THIS ARTICLE;**

25 **(3) FOR A CLASS B (ON-SALE) BEER, WINE AND LIQUOR LICENSE IS**
26 **SET OUT IN § 6-201(W) OF THIS ARTICLE; AND**

27 **(4) FOR A SPECIAL SUNDAY (ON-SALE) LICENSE IS \$250.**

28 9-222.

29 (a) In Washington County, except for a special or temporary license or a
30 certificate of permission or renewal license issued to a personal representative under §

1 10–506 of this article, the Board of License Commissioners may not issue a license to sell
2 alcoholic beverages:

3 (1) Until all outstanding gaming proceeds, payments, and fines that are
4 due and owing by the licensee or applicant have been paid or judicially satisfied; and

5 (2) For any premises that previously have been licensed under this article,
6 until all county taxes that are due and owing by the licensee for the operation of the
7 business under the previous license have been paid or judicially satisfied.

8 (b) (1) (i) In this subsection the following words have the meanings
9 indicated.

10 (ii) “Population ratio quota” means 1 license for each 1,000
11 individuals, excluding individuals detained or confined in a correctional facility as defined
12 under § 1–101(d) of the Correctional Services Article, who reside in the election district
13 where the license will be issued as determined by the last federal population census.

14 (iii) “Restaurant” means an establishment that:

15 1. Is located in a permanent building;

16 2. Regularly sells and serves food to the general public;

17 3. Has a seating capacity of at least:

18 A. 75 persons for a Class B alcoholic beverages (on– ~~AND~~
19 ~~OFF~~–sale) license; or

20 B. 50 persons for a Class [P] B alcoholic beverages (on–sale)
21 license; and

22 4. Has on an annual basis, gross sales of food and
23 nonalcoholic beverages that exceed its annual gross sales of alcoholic beverages.

24 (2) In Washington County, except for a Class [P] B alcoholic beverages
25 (on–sale) license issued to a restaurant **UNDER § 8–222.1 OF THIS ARTICLE** and any class
26 of alcoholic beverages license renewed or transferred for the same premises, an alcoholic
27 beverages license may not be issued within an election district if the number of alcoholic
28 beverages licenses exceeds the population ratio quota.

29 (3) (i) If the Washington County Board of License Commissioners
30 determines that there is a public need including governmentally sanctioned economic
31 revitalization for the issuance of a license notwithstanding the population ratio quota, the
32 license may be issued by the Board.

1 (ii) The Board shall state in the order granting the issuance of the
2 license the reasons for its decision to exceed the population ratio quota.

3 SECTION 2. AND BE IT FURTHER ENACTED, That:

4 (a) On May 1, 2016, unless the Board of License Commissioners for Washington
5 County determines that a Class P license shall convert to a Class D (on-sale) license, a
6 Class P license shall convert to a Class B beer (on-sale) license, Class B beer and light wine
7 (on-sale) license, or Class B beer, wine and liquor (on-sale) license as appropriate.

8 (b) (1) As a condition of having a Class P license converted to a Class B
9 (on-sale) license or a Class D (on-sale) license, a license holder shall, on request from the
10 Board, submit a Food Alcohol Ration Report covering 2 quarters that the Board selects of
11 the 12-month period immediately preceding the application year to demonstrate
12 compliance with the annual gross sales requirement under § 8-222.1(b), as enacted by
13 Section 1 of this Act.

14 (2) If an applicant for a Class B (on-sale) license did not hold an alcoholic
15 beverages license during the 12-month period immediately preceding the application for a
16 Class B (on-sale) license, the applicant shall, on request from the Board, attest in a sworn
17 statement that the applicant will comply with the annual gross sales requirement under §
18 8-222.1(b), as enacted by Section 1 of this Act.

19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
20 1, 2015.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.