

# SENATE BILL 750

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5lr2660  
CF HB 801

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By: **Washington County Senators**

Introduced and read first time: February 16, 2015

Assigned to: Rules

Re-referred to: Education, Health, and Environmental Affairs, February 27, 2015

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2015

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## 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,

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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 Article 2B – Alcoholic Beverages  
 2 Section 3–201(a), 5–201(a), and 6–201(a)  
 3 Annotated Code of Maryland  
 4 (2011 Replacement Volume and 2014 Supplement)

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

10 BY adding to  
 11 Article 2B – Alcoholic Beverages  
 12 Section 8–222.1  
 13 Annotated Code of Maryland  
 14 (2011 Replacement Volume and 2014 Supplement)

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

17 **Article 2B – Alcoholic Beverages**

18 3–201.

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

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

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

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

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

30 5–201.

31 (a) (1) A Class B beer and light wine license shall be issued by the license  
 32 issuing authority of the county in which the place of business is located. The holder may  
 33 keep for sale and sell beer and light wines at retail at any hotel or restaurant, at the place  
 34 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:**

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**  
32 **REPORT COVERING 2 PRECEDING QUARTERS THAT THE BOARD SELECTS TO**

1 DEMONSTRATE COMPLIANCE WITH THE ANNUAL GROSS SALES REQUIREMENT  
2 UNDER SUBSECTION (B) OF THIS SECTION.

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

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

6 2. ISSUE A FINE; OR

7 3. SUSPEND A LICENSE.

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

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

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

19 (F) THE ANNUAL LICENSE FEE:

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

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

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

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

27 9-222.

28 (a) In Washington County, except for a special or temporary license or a  
29 certificate of permission or renewal license issued to a personal representative under §  
30 10-506 of this article, the Board of License Commissioners may not issue a license to sell  
31 alcoholic beverages:

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

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

6 (b) (1) (i) In this subsection the following words have the meanings  
7 indicated.

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

12 (iii) "Restaurant" means an establishment that:

13 1. Is located in a permanent building;

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

15 3. Has a seating capacity of at least:

16 A. 75 persons for a Class B alcoholic beverages (on- ~~AND~~  
17 ~~OFF~~-sale) license; or

18 B. 50 persons for a Class **[P] B** alcoholic beverages (on-sale)  
19 license; and

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

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

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

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

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

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

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

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

17 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
18 1, 2015.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.