

HOUSE BILL 177

A2

8lr0430

By: **Montgomery County Delegation**

Introduced and read first time: January 18, 2018

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County – Alcoholic Beverages – Food Sales Requirements and**
3 **Hours and Days of Sale**

4 **MC 5–18**

5 FOR the purpose of repealing certain provisions of law that require a holder of a Class
6 BD–BWL or Class D beer, wine, and liquor license in Montgomery County to
7 maintain a certain ratio of gross receipts from the sale of food to gross receipts from
8 the sale of alcoholic beverages during certain hours on certain days; altering the
9 content of certain sworn statements of holders of certain licenses relating to the
10 availability of certain food during certain hours; requiring the Montgomery County
11 Board of License Commissioners to adopt certain regulations; repealing the
12 authority of the Board to revoke certain alcoholic beverages licenses under certain
13 circumstances; altering the hours and days of sale of a holder of a Class BD–BWL
14 license; making a stylistic change; and generally relating to the sale of alcoholic
15 beverages in Montgomery County.

16 BY repealing and reenacting, without amendments,
17 Article – Alcoholic Beverages
18 Section 25–102
19 Annotated Code of Maryland
20 (2016 Volume and 2017 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – Alcoholic Beverages
23 Section 25–903, 25–906, and 25–2005(f) and (i)
24 Annotated Code of Maryland
25 (2016 Volume and 2017 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Alcoholic Beverages

25–102.

This title applies only in Montgomery County.

25–903.

(a) There is a Class BD–BWL license.

(b) The license authorizes the license holder to sell:

(1) beer and wine for on– or off–premises consumption; and

(2) liquor for on–premises consumption.

(c) As a prerequisite for the initial issuance of the license, the owner of the establishment shall attest in a sworn statement that [gross receipts from food sales will be at least equal to 40% of the gross receipts from the sale of food and alcoholic beverages:

(1) from 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday, Thursday, Friday, and Saturday; and

(2) from 10 a.m. to 9 p.m. on Sunday] **FOOD WILL BE AVAILABLE FOR SALE FOR ON–PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC BEVERAGES ARE PERMITTED TO BE SERVED.**

(d) As a prerequisite for each renewal of the license, the owner of the establishment shall attest in a sworn statement that [gross receipts from food sales for the 12–month period immediately preceding the application for renewal have been at least equal to 40% of the gross receipts from the sale of food and alcoholic beverages:

(1) from 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday, Thursday, Friday, and Saturday; and

(2) from 10 a.m. to 9 p.m. on Sunday] **FOOD WILL BE AVAILABLE FOR SALE FOR ON–PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC BEVERAGES ARE PERMITTED TO BE SERVED.**

(e) (1) The Board by regulation shall provide for periodic inspection of the premises and [for audits to determine the ratio of gross receipts from the sale of food to gross receipts from the sale of alcoholic beverages] **SPECIFY THE TYPE OF FOOD THAT IS REQUIRED TO BE AVAILABLE FOR SALE FOR ON–PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC BEVERAGES ARE PERMITTED TO BE SERVED.**

(2) Regulations adopted by the Board shall include a requirement of[:

(i)] at least monthly physical inspections of the premises during the initial license year of any license holder[; and

(ii) the submission by the license holder to the Board, during the initial license year, of monthly statements showing gross receipts from the sale of food and gross receipts from the sale of alcoholic beverages for the immediately preceding month.

(f) If a license holder during the initial license year fails to maintain the sales ratio requirement provided in this section for 3 consecutive months or, after the initial license year, for each license or calendar year, the Board may revoke the license.

(g) The Board may require a license holder to provide supporting data that the Board considers necessary to establish that the requirements of this section relating to the ratio of gross receipts from the sale of food to those from the sale of alcoholic beverages have been met].

[(h)] (F) A holder of a Class BD–BWL license:

(1) may also hold a Class 7 micro–brewery license issued for a location in the county; but

(2) may not hold more than one Class BD–BWL license.

[(i)] On 7 days of the week, the hours of sale are:

(1) for on–premises consumption:

(i) from 9 a.m. to 2 a.m. the following day, on Monday, Tuesday, Wednesday, and Thursday;

(ii) from 9 a.m. to 3 a.m. the following day, on Friday and Saturday;

(iii) from 10 a.m. to 3 a.m. the following day, on Sunday when the following day has been designated by the federal government as one of the following holidays:

1. Washington’s Birthday;

2. Memorial Day;

3. Independence Day;

4. Labor Day;

5. Veterans Day; or

6. Christmas; or

(iv) from 10 a.m. to 2 a.m. the following day, on a Sunday that is not referenced in item (iii) of this paragraph; and

(2) for off-premises consumption, from 6 a.m. to 1 a.m. the following day.]

[(j)] (G) The annual license fee is \$3,500.

25–906.

(a) There is a Class D beer, wine, and liquor license.

(b) The Board may issue the license to an owner of an establishment if:

(1) before the issuance of the license, the owner attests in a sworn statement that [gross receipts from food sales will be at least equal to 40% of the gross receipts from the sale of food and alcoholic beverages:

(i) from 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday, Thursday, Friday, and Saturday; and

(ii) from 10 a.m. to 9 p.m. on Sunday] **FOOD WILL BE AVAILABLE FOR SALE FOR ON-PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC BEVERAGES ARE PERMITTED TO BE SERVED;** and

(2) before each renewal of the license, the owner attests in a sworn statement that [the gross receipts from food sales for the 12 months immediately before the application for renewal have been at least equal to 40% of the gross receipts from the sale of food and alcoholic beverages:

(i) from 9 a.m. to 9 p.m. on Monday, Tuesday, Wednesday, Thursday, Friday, and Saturday; and

(ii) from 10 a.m. to 9 p.m. on Sunday] **FOOD WILL BE AVAILABLE FOR SALE FOR ON-PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC BEVERAGES ARE PERMITTED TO BE SERVED.**

(c) The license authorizes the license holder to sell beer, wine, and liquor for on-premises consumption.

(d) The Board shall adopt regulations:

(1) **(I)** to provide for[:

(i)] periodic inspection of the premises; and

(ii) [audits to determine the ratios of gross receipts from the sale of food to gross receipts from the sale of alcoholic beverages] **THAT SPECIFY THE TYPE OF FOOD THAT IS REQUIRED TO BE AVAILABLE FOR SALE FOR ON-PREMISES CONSUMPTION DURING THE HOURS THAT ALCOHOLIC BEVERAGES ARE PERMITTED TO BE SERVED;** and

(2) during the initial license year, to require[:

(i)] at least monthly physical inspections of the premises[; and

(ii) the license holder to submit to the Board monthly statements showing gross receipts from the sale of food and gross receipts from the sale of alcoholic beverages for the preceding month.

(e) (1) The Board may revoke the license if the license holder fails to maintain the ratio of gross receipts from the sale of food to gross receipts from the sale of alcoholic beverages required under this section:

(i) during the initial license year, for 3 consecutive months; or

(ii) after the initial license year, for each license or calendar year.

(2) The Board may require the license holder to provide supporting data as the Board considers necessary to establish that the license holder has met the requirements of this section relating to the ratio of gross receipts from the sale of food to gross receipts from the sale of alcoholic beverages].

[(f)] (E) The annual license fee is \$3,000.

25–2005.

(f) A holder of a Class BD–BWL beer, wine, and liquor license may sell beer, wine, and liquor:

(1) for on–premises consumption[, on Monday through Sunday, from 10 a.m. to 2 a.m. the following day]:

(I) ON MONDAY THROUGH THURSDAY, FROM 9 A.M. TO 2 A.M. THE FOLLOWING DAY;

(II) ON FRIDAY AND SATURDAY, FROM 9 A.M. TO 3 A.M. THE FOLLOWING DAY; AND

(III) ON SUNDAY:

1. FROM 10 A.M. TO 2 A.M. THE FOLLOWING DAY; OR

2. FROM 10 A.M. TO 3 A.M. THE FOLLOWING DAY IF THE
FEDERAL GOVERNMENT HAS DESIGNATED THE FOLLOWING DAY A PUBLIC HOLIDAY;
and

(2) for off-premises consumption, on Monday through Sunday, from 6 a.m.
to 1 a.m. the following day.

(1) Subject to paragraph (2) of this subsection, a holder of a Class D beer,
wine, and liquor license may sell beer, wine, and liquor:

(i) on Monday through Thursday, from 9 a.m. to 2 a.m. the following
day;

(ii) on Friday and Saturday, from 9 a.m. to 3 a.m. the following day;
and

(iii) on Sunday:

1. from 10 a.m. to 2 a.m. the following day; or

2. from 10 a.m. to 3 a.m. the following day if the federal
government has designated the following day as [Washington's Birthday, Memorial Day,
Independence Day, Labor Day, or Christmas] A PUBLIC HOLIDAY.

(2) The license holder shall sell or make available food for on-premises
consumption during the hours that alcoholic beverages are permitted to be served.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
1, 2018.