



Maryland State Licensed Beverage Association

150 E. Main St., Suite 104, Westminster, MD 21157 ♦ (410) 871-1377, (410) 876-3464
FAX: (410) 871-2545 ♦ Website: www.mslba.org ♦ E-Mail: mslba@msn.com

ALCOHOL RELATED LEGISLATION THAT PASSED IN 2021

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STATEWIDE ALCOHOL RELATED LEGISLATION THAT PASSED IN 2021

Excerpts from: THE 90 DAY REPORT, A Review of the 2021 Legislative Session

By: Department of Legislative Services, Maryland General Assembly

<http://dls.maryland.gov/pubs/prod/RecurRpt/2021rs-90-day-report.pdf>

[Added notes in brackets]

Retail Sale or Delivery for Off-premises Consumption [The 90 Day Report, Part H-34]

On March 19, 2020, in response to the spread of COVID-19 in the State and citing the protection of public health by furthering the goals of social distancing and promotion of compliance with isolation and quarantine protocols, the Governor issued an executive order expanding alcoholic beverage delivery and carryout services. The order allowed licensed establishments to deliver or sell alcoholic beverages for off-premises consumption despite any restrictions inherent in their licenses. The order remains effective until after the termination of the state of emergency and rescission of the proclamation of a catastrophic health emergency.

[Senate Bill 205/House Bill 12](#) (*both passed*) authorize local alcoholic beverages licensing boards to adopt regulations authorizing specified license holders to provide alcoholic beverages by delivery or sale for off-premises consumption on a temporary basis. In considering whether to adopt these regulations, a local licensing board must weigh the need to promote economic recovery for small businesses in the wake of the COVID-19 pandemic and the need to protect public health and welfare.

The bills limit an alcoholic beverages license holder to delivering or selling alcoholic beverages that are authorized under its license. Local licensing boards may not increase a license fee or otherwise charge extra for the expanded privileges authorized under the bills, but may set a limit on the amount of alcohol that may be sold or delivered in a single transaction.

[Senate Bill 205/House Bill 12](#) also require the Alcohol and Tobacco Commission (ATC) and the Maryland Department of Health (MDH) jointly to conduct a study on the impact of the expansion of access to alcohol under the bills and the Governor's Declaration of State of Emergency and Existence of Catastrophic Health Emergency – COVID-19. ATC and MDH must report to the General Assembly on the findings of the study by December 31, 2022. The bills terminate on June 30, 2023. [*Effective Date: July 1, 2021 depending on expiration of related executive orders*]

Manufacturer's Licenses and Off-site Permits [The 90 Day Report, Part H-35]

[Senate Bill 821/House Bill 1232](#) (*both passed*) are emergency bills that make various temporary changes to the regulation of alcoholic beverage manufacturers in the State. Broadly, the bills significantly alter provisions on off-site and special event permits and alter the licensing fees and privileges of several manufacturer's licenses. With respect to permits, the bills repeal specified manufacturer's permits and establish a manufacturer off-site permit and a brewery special event permit. With respect to licensing, the bills alter the fee structure for most manufacturer's licenses, authorize most manufacturers to sell and deliver their own alcoholic beverage products to consumers if specified procedures are followed, alter the limitations of the Class 7 limited beer wholesaler's license, and alter the privileges associated with Class 1 distillery licenses and Class 8 farm-brewery licenses. The consumer delivery provisions in particular are

intended to help manufacturers return to economic health after suffering the impacts of the pandemic, similar to [Senate Bill 205/House Bill 12](#).

A manufacturer off-site permit may be issued to the holder of a specified manufacturer's license. The permit authorizes the holder to provide samples of and to sell alcoholic beverages produced by the holder. The brewery special event permit may be issued to the holder of a specified brewery license and authorizes the license holder to conduct a special event to provide samples and sell products manufactured by the license holder.

Existing law provides that alcoholic beverage manufacturer's licenses may be issued by ATC for a set annual fee. These bills instead authorize ATC to determine the annual license fee, as long as the fee does not exceed a specified cap, which is the existing annual fee. The bills also authorize most alcoholic beverage manufacturers to sell and deliver their products in accordance with specified rules.

In addition, the bills increase certain barrel limits for a Class 7 limited beer wholesaler's license, and allow the holders of Class 1 distillery and Class 8 farm brewery licenses to sell and deliver their products directly to individuals in the State who meet specified criteria. The bills terminate on December 31, 2022. [*Effective Date for Manufacturer's Licenses and Off-site Permits* ([Senate Bill 821/House Bill 1232](#)): *Upon Enactment depending on expiration of related executive orders*]

Industry Practice Prohibition [The 90 Day Report, Part H-36]

[House Bill 185](#) (*passed*) prohibits an alcoholic beverages license holder in the State, or an employee of a license holder, from conditioning the sale of alcoholic beverages for on-premises consumption on the purchase of more than one serving of an alcoholic beverage at a time. The issuer of an alcoholic beverages license may revoke or suspend the license for violating this prohibition. In addition, the bill establishes criminal penalties for a violation, which include a fine or possible imprisonment. [*Effective Date: October 1, 2021*]

Alcohol and Tobacco Commission [The 90 Day Report, Part H-36]

[Senate Bill 761/House Bill 1336](#) (*both passed*) include the Executive Director of ATC in the State's retirement and pension plan and provide that the Executive Director has the designation of a peace officer. This gives the Executive Director the same status as other ATC employees in the pension system. For a further discussion of [Senate Bill 761/House Bill 1336](#), see the subpart "Pensions and Retirement" within Part C of this *90 Day Report*. [*Effective Date: June 1, 2021*]

[The 90 Day Report, Part C-27] [Senate Bill 761/House Bill 1336](#) (*both passed*) address the membership status of the executive directors of two State agencies: the Alcohol and Tobacco Commission (ATC); and the State Retirement Agency (SRA). Under current law, the executive director of ATC is a member of the Employees' Pension System (EPS). The bills require that the executive director of ATC be a sworn police officer and a member of the Law Enforcement Officers' Pension System (instead of EPS) as a condition of employment. The executive director of SRA serves at the pleasure of the SRPS Board of Trustees and thus is not eligible for immediate vesting rights provided under current law to agency heads who serve at the pleasure of the Governor. The

bills require that an executive director of SRA who commences service on or after January 1, 2021, have immediate vesting rights in EPS.

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Excerpts from: THE 90 DAY REPORT, A Review of the 2021 Legislative Session

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[Added notes in brackets]

Allegany County [The 90 Day Report, Part H-36]

Class B-D Beer, Wine, and Liquor License: [Senate Bill 677/House Bill 883](#) (*both passed*) establish a Class B-D beer, wine, and liquor license that authorizes the holder to sell beer, wine, and liquor for on-premises consumption, as specified. The bills also authorize the board of license commissioners to issue up to two licenses in a single year. A license holder must complete a Food Alcohol Ratio Report once every licensing cycle. [*Effective Date: July 1, 2021*]

Gift Basket Permit: [Senate Bill 731/House Bill 1059](#) (*both passed*) establish a gift basket permit that may be issued to a person whose primary business is the sale and delivery of flowers or specified gift baskets. The permit holder may not hold any other alcoholic beverages license or permit in the county. The permit holder's annual sales from alcoholic beverages may not exceed 10% of the holder's annual gross sales. [*Effective Date: July 1, 2021*]

Annual Fees: [Senate Bill 679/House Bill 880](#) (*both passed*), both emergency bills, authorize the board of license commissioners to reimburse license holders for certain annual license fees, as specified, for the 2020 through 2021 licensing period. The board must also waive or impose lower annual fees relating to the same types of licenses for the 2021 through 2022 licensing period. [*Effective Date: May 18, 2021*]

Anne Arundel County [The 90 Day Report, Part H-37]

Class MT (Movie Theater) License: [Senate Bill 489/House Bill 679](#) (*both passed*) establish a Class MT (movie theater) beer and wine license. The board of license commissioners may issue the license to the owner of a movie theater in the county that holds a crowd control training certification. The license authorizes the sale of beer and wine for on-premises consumption, as specified. [*Effective Date: July 1, 2021*]

Annual Fees: [Senate Bill 944/House Bill 1136](#) (*both passed*), both emergency bills, require the board of license commissioners, if funding is available, to reimburse each license holder in the county the entire amount of the annual license fee for specified licenses for the 2020 through 2021 licensing period. If the balance of fees remitted to the county by the Comptroller is not sufficient to reimburse each license holder in the county the entire amount of the annual license fee for specified licenses for the 2020 through 2021 licensing period, the board must reimburse each license holder (1) a percentage of the annual license fee in proportion to the total amount of the balance of fees remitted to the county by the Comptroller and (2) for the following year, the remaining balance of the annual license fee that was not reimbursed during the previous fiscal year or a percentage of the annual license fee in proportion to the total amount of the balance of fees remitted to the county by the Comptroller. [*Effective Date: May 18, 2021*]

Alcoholic Beverages Inspectors: [Senate Bill 490](#) (*passed*) requires the board of license commissioners to hire a full-time chief inspector, as specified, and removes the authorization for the board to hire a part-time chief inspector. [*Effective Date: July 1, 2021*]

Baltimore City [The 90 Day Report, Part H-37 – H-38]

Class B-D-7 Licenses: [Senate Bill 547/House Bill 868](#) (*both passed*) authorize the board of license commissioners to issue a Class B-D-7 license in the 4800 block of Harford Road in the 45th alcoholic beverages district under specified circumstances. [House Bill 256](#) (*passed*) alters the hours of sale for a Class B-D-7 license holder located in Baltimore City along specified geographic boundaries. [*Effective Date: July 1, 2021*]

Alcoholic Beverages Licenses (40th District): [House Bill 1288](#) (*passed*) generally restricts license holders in specified geographical areas in the 40th alcoholic beverages district in Baltimore City from selling alcoholic beverages before 10:00 a.m. or after 10:00 p.m. Specified classes of licenses are exempt from the restriction on hours of operation. The board may issue a Class B-D-7 license and a Class C beer, wine, and liquor (BWL) license in the 40th alcoholic beverages district, as specified. [*Effective Date: July 1, 2021*]

Alcoholic Beverages Licenses (46th District): [Senate Bill 426/House Bill 572](#) (*both passed*) authorize specified holders of a Class 9 limited distillery license in the 46th alcoholic beverages district, who also hold a Class D (6-day) BWL license under specified circumstances, to apply to the board of license commissioners to convert the existing Class D (6-day) BWL license into a Class D (7-day) BWL license. The bills also authorize the board to issue (1) a Class D beer and light wine license for an establishment in a specified geographic boundary that has executed a memorandum of understanding with Brewer's Hill Neighbors, Inc., and (2) a Class B BWL license for a restaurant at a specified address. The bills make permanent provisions established by Chapters 676 and 677 of 2019 pertaining to interactions between a specified Class 1 distillery and retail dealer in Port Covington. In addition, the bills repeal specified authorizations to issue or transfer a license within specific geographic areas. [*Effective Date: July 1, 2021*]

Geographic Boundaries of Alcoholic Beverages Districts: [Senate Bill 472](#) (*passed*) updates specified statutory references to the boundaries of Baltimore City's alcoholic beverages districts, so that they are defined as coterminous with the legislative districts in the Legislative Districting Plan of 2012, rather than the Legislative Districting Plan of 2002. The bill requires the board of license commissioners to exempt an activity made unlawful by the bill's change in reference to district boundaries under specific circumstances. [*Effective Date: June 1, 2021*]

Baltimore County [The 90 Day Report, Part H-38]

Class D BWL License: [Senate Bill 424/House Bill 555](#) (*both passed*) authorize the board of license commissioners to issue a Class D BWL license for use by a drugstore. [*Effective Date: July 1, 2021*]

Board of License Commissioners: [Senate Bill 38/House Bill 677](#) (*both passed*) require that each member of the board of license commissioners be a resident and voter of the county. [*Effective Date: July 1, 2021*]

Calvert County [The 90 Day Report, Part H-38]

Annual Fees: [House Bill 1016](#) (*passed*) requires the board of license commissioners to reimburse each license holder in the county the entire amount of the annual fee for any license that authorizes the sale of alcoholic beverages for on-premises consumption only at a bar or restaurant. [*Effective Date: July 1, 2021*]

Charles County [The 90 Day Report, Part H-38]

Class 4 Limited Winery License: [Senate Bill 833/House Bill 1018](#) (*both passed*) authorize a Class 4 limited winery license holder in the county to hold or have a financial interest in one retail license that does not apply to the premises for which the Class 4 limited winery license applies. [*Effective Date: July 1, 2021*]

Frederick County [The 90 Day Report, Part H-38 – H-39]

Barbershop and Beauty Salon Beer and Wine License: [Senate Bill 694/House Bill 1270](#) (*both passed*) increase, from 5 ounces to 12 ounces, the maximum amount of beer that the holder of a barbershop or a beauty salon beer and wine license may provide to a customer for on-premises consumption. [*Effective Date: July 1, 2021*]

Consumption Permits: [Senate Bill 793/House Bill 1242](#) (*both passed*) establish a beer and wine consumption permit and a beer, wine, and liquor consumption permit in the county. The board of license commissioners may issue these permits to holders of Class A licenses, as specified. [*Effective Date: July 1, 2021*]

Stadium License: [Senate Bill 693/House Bill 1240](#) (*both passed*) repeal the authorization for the license holder of a stadium license in the county to sell beer and wine in Styrofoam containers on the licensed premises to conform with existing State law banning specified uses of expanded polystyrene food service products. [*Effective Date: July 1, 2021*]

Wine Definition: [Senate Bill 792/House Bill 1272](#) (*both passed*) increase, from 21% to 22%, the maximum percentage of alcohol by volume for wine that Class 3 wineries and Class 4 limited wineries holding a Class A wine license in the county may sell, as specified. Additionally, the maximum percentage of alcohol by volume for alcoholic beverages that a restaurant holding a Class B BWL hotel or restaurant license may sell for off-premises consumption increases from 14.5% to 22%. [*Effective Date: July 1, 2021*]

Garrett County [The 90 Day Report, Part H-39]

Alcoholic Beverages Act of 2021: [Senate Bill 451/House Bill 632](#) (*both passed*) remove the one-time issuing fees for new Class C (club and organization) BWL licenses and new art establishment licenses. The bills also authorize a Class C per diem BWL license holder to purchase liquor, in addition to beer and wine, from a wholesaler. [*Effective Date: July 1, 2021*]

Gift Basket Permit: [Senate Bill 731/House Bill 1059](#) establish a gift basket permit that may be issued to a person whose primary business is the sale and delivery of flowers or specified gift baskets. The

permit hold may not hold any other alcoholic beverages license or permit in the county. The permit holder's annual sales from alcoholic beverages may not exceed 10% of the holder's annual gross sales. [*Effective Date: July 1, 2021*]

Harford County [The 90 Day Report, Part H-39]

Assisted Living Program License: [Senate Bill 386/House Bill 312](#) (*both passed*) establish a Class ALP (assisted living program) BWL license. The board of license commissioners may issue the license to a manager of an assisted living program that is licensed by the Department of Human Services and may be operated under a management agreement, as specified. [*Effective Date: July 1, 2021*]

Gift Basket Permit: [Senate Bill 390/House Bill 1100](#) (*both passed*) establish a gift basket permit in the county. The bills authorize the board of license commissioners to issue the permit to a person (1) whose primary business is the sale and delivery of flowers; (2) whose business includes the sale and delivery of gift baskets of flowers, food, or other items; and (3) who does not hold any other alcoholic beverages license or permit. The board is prohibited from issuing a permit for use in conjunction with or on the premises of a chain store, supermarket, or discount house. A permit holder may sell and deliver, to consumers of a legal drinking age located in the county, gift baskets containing specified volumes of beer, wine, or liquor products, purchased from a retail license holder. [*Effective Date: July 1, 2021*]

Howard County [The 90 Day Report, Part H-39 – H-40]

Class A Alcoholic Beverages License – Quota: [House Bill 1151](#) (*passed*) modifies the maximum number of Class A licenses of any type that the board of licenses commissioners may issue by authorizing the board to issue up to six Class A licenses in each election district in the county. The board may issue more than six Class A licenses in any election district if the total number of Class A licenses in any election district does not exceed one Class A license of any type for every 4,000 residents of the election district. [*Effective Date: July 1, 2021*]

Class B BWL License – Off-premises Consumption: [House Bill 1152](#) (*passed*) authorizes the holder of a Class B BWL license to sell beer, wine, and liquor in sealed containers for off-premises consumption only to a person who has purchased prepared food from the premises. The bill repeals the beer and wine (B-SBW) off-sale permit that a Class B BWL license holder previously needed to obtain to sell beer and wine for off-premises consumption, as specified. The board of license commissioners may limit the quantity of alcoholic beverages sold in a single transaction for off-premises consumption, as specified. [*Effective Date: July 1, 2021*]

Retail Delivery: [House Bill 1155](#) (*passed*) authorizes the holder of a Class A license or an employee of the license holder to deliver alcoholic beverages within the county. An employee making a delivery must be at least 18 years old. The deliverer and recipient must both sign a form indicating that (1) the recipient claimed to be 21 years old and presented documentation to that effect; (2) the recipient knows it is a criminal offense for alcoholic beverages to be given to an individual under 21 years old; and (3) the deliverer examined the recipient's identification. A delivery may not be made unless the purchaser or another individual at least 21 years old designated by the purchaser is physically present to receive the beverages at the place and time of delivery and pays for the purchase at the time of the order. [*Effective Date: July 1, 2021*]

Alcoholic Beverages Inspectors: [House Bill 1191](#) (*passed*) requires the Howard County Police Department to employ inspectors to assist the board. The bill specifies that the chief of the county police department must have final selection authority over the hiring of the inspectors. An inspector who investigates an alcoholic beverages license violation is authorized to issue a civil citation, as specified. [*Effective Date: July 1, 2021*]

Montgomery County [The 90 Day Report, Part H-40]

Seating Requirements: [House Bill 430](#) (*passed*) repeals the capacity requirements for an applicant of a BWL Community Performing Arts Facility alcoholic beverages license. [*Effective Date: July 1, 2021*]

Draft Beer for Off-site Consumption in Damascus: [House Bill 432](#) (*passed*) authorizes the board of license commissioners to issue a refillable or nonrefillable container permit for draft beer to the holder of a Class H beer and wine license if the licensed premises is in Damascus (12th election district). [*Effective Date: July 1, 2021*]

Annual Fees: [House Bill 428](#) (*passed*), an emergency bill, requires the board of license commissioners to refund the annual fees and late fees for each alcoholic beverages license issued for the 2020 to 2021 licensing period, as specified. The bill also requires the board to waive the late fees for alcoholic beverages licenses issued for the 2021 to 2022 licensing period, as specified. [*Effective Date: May 18, 2021*]

Prince George's County [The 90 Day Report, Part H-40 – H-41]

Class BLX License: [Senate Bill 739](#) (*passed*) authorizes an establishment in Prince George's County located within a specified area on the campus of the University of Maryland, College Park Campus that is issued a Class BLX license to offer entertainment when individuals under the age of 21 years are present, as specified. [*Effective Date: July 1, 2021*]

Violations and Penalties; Sunday Off-sale Permit: [House Bill 974](#) (*passed*) authorizes the board of license commissioners to issue a Sunday off-sale permit to any Class A or Class B license holder with an off-sale privilege. An applicant for a Sunday off-sale permit must commit to spending a minimum of \$50,000 to rehabilitate and renovate the licensed premises within one year after the permit is issued. By January 1, 2023, the board must conduct a study of Sunday off-sale permits to determine (1) how many permit holders failed to make the required reinvestment and (2) how many times the reinvestment requirement was waived. [*Effective Date: July 1, 2021*]

[House Bill 974](#) also prohibits the board of license commissioners from approving or renewing a license for a license holder or a stockholder of a corporation convicted of a felony related to operations under the license for at least 10 years and requires the board to revoke such a license. In addition, the bill provides that a license holder or employee who violates provisions on selling or providing alcoholic beverages to an underage individual is guilty of a misdemeanor and is subject to imprisonment not exceeding 2 years or a fine not exceeding \$2,000, or both.

Queen Anne's County [The 90 Day Report, Part H-41]

Places of Worship: [Senate Bill 855/House Bill 323](#) (*both passed*) remove the prohibition on the board of license commissioners issuing an alcoholic beverages license to an establishment located within 500 feet of a place of worship. [*Effective Date: July 1, 2021*]

Unannounced Inspections: [Senate Bill 854/House Bill 349](#) (*both passed*) alter the requirement for an alcoholic beverages inspector to inspect at unannounced times every licensed premises in the county from at least once every 60 days to at least once every 180 days. [*Effective Date: July 1, 2021*]

St. Mary's County [The 90 Day Report, Part H-41]

Distillery On-site Consumption Permit: [House Bill 529](#) (*passed*) authorizes the board of license commissioners to issue an on-site consumption permit to the holder of a Class 1 distillery license for use at the location of the licensed premises. The permit authorizes the sale of mixed drinks made from liquor produced by the distillery that are mixed with other nonalcoholic ingredients for on-premises consumption. An application for a permit must be made at least 30 days before the permit is to take effect. [*Effective Date: July 1, 2021*]

Annual Fees: [House Bill 814](#) (*passed*), an emergency bill, requires the board of license commissioners to waive the entire annual licensing fee for the 2021 through 2022 licensing period for any alcoholic beverages license that authorizes the holder to sell alcoholic beverages for on-premises consumption only at a bar or restaurant if the license holder paid the fee for the 2020 through 2021 licensing period. [*Effective Date: May 18, 2021*]

Washington County [The 90 Day Report, Part H-42]

Special Event Permits for Wineries: [House Bill 1108](#) (*passed*), an emergency bill, increases, from 32 to 60, the number of times in a year that specified wineries may use a special event permit. The bill terminates June 30, 2023. [*Effective Date: June 1, 2021*]

Wicomico County [The 90 Day Report, Part H-42]

License Alterations: [Senate Bill 715/House Bill 795](#) (*both passed*) repeal the requirement that the holder of a Class B BWL (golf course) license must have average daily receipts from the sale of food for each month that exceed the average daily receipts from the sale of alcoholic beverages. The bills also expand the authorized days in which a holder of a Class A BWL license may sell beer, wine, and liquor to Monday through Sunday from 6 a.m. to midnight instead of Monday through Saturday from 6 a.m. to midnight. [*Effective Date: July 1, 2021*]