



# Maryland State Licensed Beverage Association

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## ALCOHOL RELATED LEGISLATION THAT PASSED IN 2022

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## **STATEWIDE ALCOHOL RELATED LEGISLATION THAT PASSED IN 2022**

### **Excerpts from: THE 90 DAY REPORT, A Review of the 2022 Legislative Session**

By: Department of Legislative Services, Maryland General Assembly

<https://mgaleg.maryland.gov/Pubs/LegisLegal/2022rs-90-day-report.pdf>

[*Added notes in brackets*]

### **Statewide Alcoholic Beverages** [*The 90 Day Report, Part H-30 to H-31*]

#### **Alcohol and Tobacco Commission**

[House Bill 1253](#) (*passed*) authorizes the Executive Director of the Alcohol and Tobacco Commission (ATC) to enter into memoranda of understanding and cooperative arrangements with federal, State, and local governmental units to address operational matters and efficiencies in regulating alcohol and tobacco. The bill also corrects statutory references to the Comptroller to be to ATC or the Executive Director in several tobacco statutes and makes a clarifying change to alcohol awareness training requirements. [*Effective Date: June 1, 2022*]

#### **Alcoholic Beverages Industry Study**

While retail alcoholic beverages stores are commonly found in many minority areas, there is a dearth of minority-owned alcoholic beverages license holders in the industry, particularly in the wholesale and manufacturing tiers. [Senate Bill 72/House Bill 324](#) (*both passed*) require the Governor's Office of Small, Minority, and Women Business Affairs (GOSBA), in consultation with specified entities, to conduct a study of the participation of minority-owned businesses in the alcoholic beverages industry in the State. GOSBA must report its findings and recommendations, as specified. [*Effective Date: June 1, 2022*]

#### **Alcohol Manufacturing and Promotion**

[Senate Bill 698/House Bill 854](#) (*both passed*) establish the Advisory Commission on Maryland Alcohol Manufacturing (ACMAM) and the Maryland Alcohol Manufacturing Promotion Fund (MAMPF) in the Department of Commerce. The Comptroller generally must distribute alcohol tax revenues from alcohol produced by breweries, distilleries, and wineries in the State to the fund. The Secretary of Commerce may award grants from the fund to nonprofit organizations and State or local governmental units for promoting State breweries, distilleries, and wineries, rather than to particular manufacturers. ACMAM and MAMPF replace the former Advisory Commission on Maryland Wine and Grape Growing and the Maryland Wine and Grape Promotion Fund, respectively. [*Effective Date: July 1, 2022*]

[Senate Bill 594](#) (*passed*) establishes the Winery and Vineyard Economic Development Grant Program in the Department of Commerce. Unlike the general alcohol manufacturing industry promotion program under Senate Bill 698/House Bill 854 [see above], this new program provides financial assistance to individuals and corporations to establish a new winery or vineyard in the State or complete capital improvements at an existing winery or vineyard. For a more detailed discussion of Senate Bill 594, see the subpart "Economic Development" within this part of this *90 Day Report*. [*Effective Date: June 1, 2022*]

## **Winery and Vineyard Economic Development Grant Program**

[*The 90 Day Report, Part H-17*]

[Senate Bill 594](#) (*passed*) establishes the Winery and Vineyard Economic Development Grant Program in Commerce. The purpose of the program is to provide financial assistance to individuals and corporations to establish a new winery or vineyard in the State or complete capital improvements at an existing winery or vineyard. For each fiscal year, the Governor must include in the annual budget bill an appropriation of at least \$1.0 million to Commerce to award grants under the program. For a further discussion of the bill, see the subpart “Alcoholic Beverages (Statewide)” within this part of this *90 Day Report*. [*Effective Date: June 1, 2022*]

## **Alcoholic Beverages Licenses and Permits** [The 90 Day Report, Part H-31 cont’d.]

[Senate Bill 476/House Bill 550](#) (*both passed*) extend the termination date of provisions of Chapters 359 and 360 of 2021 that relate to the sale and delivery of alcoholic beverages by certain alcoholic beverages manufacturers from December 31, 2022, to June 30, 2023. The bills also repeal the termination date of other provisions of Chapters 359 and 360 that relate to alcoholic beverages manufacturers event permits, fees, and production limits. In addition, the bills limit the sale of beer at authorized events by specified beer manufacturers to up to 288 ounces of beer sold to each consumer for off-premises consumption, starting July 1, 2023. [*Effective Dates: July 1, 2022 & July 1, 2023*]

[Senate Bill 569/House Bill 924](#) (*both passed*) extend by two years, to April 30, 2024, the deadline for certain holders of Class 4 limited winery licenses to comply with the requirements of Chapter 542 of 2018, which modified the eligibility requirements to obtain and maintain a Class 4 limited winery license by requiring a minimum percentage of Maryland juice content for Maryland-branded wine. [*Effective Date: April 15, 2022*]

## **State Lottery and Instant Ticket Lottery Machines** [The 90 Day Report, Part H-14]

In exchange for selling State lottery products, licensed agents earn a 5.5% commission and may receive a cashing fee of up to 3% of valid prizes paid for services rendered in cashing winning tickets. [House Bill 1179](#) (*passed*) increases the lottery agent sales commission from 5.5% to 6% of gross lottery sales. A veterans’ organization that operates instant ticket lottery machines receives the same commissions as a licensed lottery agent. [*Effective Date: October 1, 2022*]

## **Outlook for Future Budgets** [The 90 Day Report, Part A-17]

[House Bill 1179](#) (*passed*) increases the lottery agent sales commission from 5.5% to 6.0% of gross lottery sales. Under the bill, general fund revenues decrease annually between \$10 million in fiscal 2023 and \$15 million in fiscal 2027. [*Effective Date: October 1, 2022*]

## **LOCAL ALCOHOL RELATED LEGISLATION THAT PASSED IN 2022**

**Excerpts from: THE 90 DAY REPORT, A Review of the 2022 Legislative Session**

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[Added notes in brackets]

### **Anne Arundel County** [The 90 Day Report, Part H-31]

**Board Term Limits; Commercial Bingo License:** [Senate Bill 499](#) (*passed*), an emergency bill, prohibits any member of the board of license commissioners from serving more than four consecutive terms. The bill requires the term of a board member initially appointed by the Governor in 2021 to expire on April 30, 2024. The bill also establishes a Commercial Bingo License that may be issued to a licensed commercial bingo establishment for the sale of beer, wine, and liquor for on-premises consumption. [*Effective Date: April 21, 2022*]

### **Baltimore City** [The 90 Day Report, Part H-31 to H-32]

**Marketplace License:** [House Bill 464](#) (*passed*) establishes a marketplace alcoholic beverages license in a specified area in the 41st alcoholic beverages district. License holders may sell beer, wine, and liquor from one or more establishments within the marketplace, as specified. [*Effective Date: July 1, 2022*]

**Alcoholic Beverages Licenses; Outdoor Table Service:** [Senate Bill 771/House Bill 1115](#) (*both passed*), both emergency bills, alter the hours and license fee for a public market license and alter the total square footage of public market floor space where designated vendors may generally sell alcoholic beverages under the license. The bills also specify how the board of license commissioners may impose fees for the privilege of providing outdoor table or cafe service under a temporary outdoor seating permit, authorize the board to waive the general distance restrictions for an application to transfer an alcoholic beverages license in specified areas, and extend the expiration dates of specified licenses. [*Effective Date: May 16, 2022*]

**40th Alcoholic Beverages District:** [Senate Bill 757/House Bill 1221](#) (*both passed*), emergency bills, authorize the board of license commissioners to issue a public market license and two Class B-D-7 licenses in the 40th alcoholic beverages district. In addition, the bills alter specified areas in the 40th alcoholic beverages district where selling alcoholic beverages is generally prohibited before 10:00 a.m. or after 10:00 p.m. [*Effective Date: May 16, 2022*]

**Block Security Plan:** [Senate Bill 222/House Bill 372](#) (*Ch. 36/passed*) require specified licensed establishments, located in a designated area commonly known as “The Block,” to close by 10:00 p.m., unless specified conditions related to security plans are satisfied. The establishments must maintain and operate digital surveillance systems that are accessible by the city, and the Baltimore City Downtown Commercial District Management Authority must enter into a contract with the Baltimore Police Department to hire two officers to patrol the designated area. [*Effective Date: July 1, 2022*]

**Class A License Transfer:** [Senate Bill 430/House Bill 1210](#) (*both passed*) authorize the transfer of one Class A beer, wine, and liquor license issued for a property within a specified area of the city. The bills also authorize the board of license commissioners to waive the general distance restrictions for an application to transfer a license into a specified area. [*Effective Date: June 1, 2022*]

**Baltimore County** [*The 90 Day Report, Part H-32*]

**License Transfer:** [House Bill 460](#) (*passed*) authorizes the board of license commissioners to approve the transfer of up to five Class B or Class D licenses from an eligible transferor district. When the board receives an application to transfer a license, it must notify the Baltimore County Department of Economic and Workforce Development. The bill prohibits the board from transferring more than two licenses into any single election district. The bill also removes certain restrictions relating to Class B (SB) beer and wine licenses in the county. [*Effective Date: July 1, 2022*]

**Local Property Taxes** [*The 90 Day Report, Part B-6*]

[House Bill 680](#) (*passed*) authorizes Baltimore County to grant a property tax credit for personal property owned by a supermarket that completes eligible construction and is located in a food desert retail incentive area. Baltimore County must designate what constitutes a food desert retail incentive area for purposes of the tax credit. [*Effective Date: June 1, 2022*]

**Calvert County** [*The 90 Day Report, Part H-32*]

**Board Compensation:** [House Bill 886](#) (*passed*) increases the compensation of the board of license commissioners. The increases in compensation do not apply to members currently serving in a term of office and will only take effect at the start of the term of an individual appointed or elected after July 1, 2022. [*Effective Date: July 1, 2022*]

**Charles County** [*The 90 Day Report, Part H-33*]

**Abeyance of License:** [House Bill 1116](#) (*passed*) authorizes the board of license commissioners to hold a license in abeyance until either the board issues the license to a new license holder or one year elapses. If the board does not issue the license to a new license holder within one year after the date the license is relinquished or revoked, the license must be considered extinguished. [*Effective Date: July 1, 2022*]

**Multiple Class B Licenses:** [Senate Bill 965](#) (*passed*) authorizes a person to have a direct or indirect interest in up to two Class B-H (hotel), Class B-R (restaurant), or Class B-RB (restaurant/bar) (on-sale) beer, wine, and liquor licenses in any combination. [*Effective Date: July 1, 2022*]

**Frederick County** [*The 90 Day Report, Part H-33*]

***Alcoholic Beverages Act of 2022:*** [Senate Bill 648](#) (*passed*) makes several changes to alcoholic beverages license provisions in the county, including (1) repealing redundant alcohol awareness training requirements for certain licenses; (2) repealing crowd control training requirements for a certain license; (3) repealing specific petition of support requirements; (4) specifying how the board of license commissioners may fulfill certain notice requirements; (5) altering a quota for certain Class A licenses; (6) altering the renewal period for annual licenses; and (7) altering the dates by which the board may issue certain license renewals. The bill also specifies that certain license application documents are subject to State requirements under the Public Information Act. [*Effective Date: July 1, 2022*]

**Garrett County** [*The 90 Day Report, Part H-33*]

***Garrett County Alcoholic Beverages Act of 2022:*** [Senate Bill 415/House Bill 1118](#) (*both passed*) establish a barbershop and beauty salon beer and wine license. The bills also increase the number of (1) beer festival licenses; (2) beer and wine festival licenses; and (3) wine festival licenses that the board of license commissioners may issue each year. The bills also authorize that each festival may last up to three consecutive days. [*Effective Date: July 1, 2022*]

**Harford County** [*The 90 Day Report, Part H-33 to H-34*]

***Class B Beer, Wine, and Liquor Licenses – Restaurants:*** [House Bill 667](#) (*passed*) repeals the requirement that a restaurant applying for a Class B beer, wine, and liquor license must have been in full-time operation for at least six months immediately prior to filing the application, starting July 1, 2023. [*Effective Date: July 1, 2023*]

***Resort Complex License:*** [House Bill 465](#) (*passed*) establishes a resort complex license. The board of license commissioners may issue one resort complex license to the person owning, leasing, or operating a resort complex. The license authorizes the license holder to sell beer, wine, and liquor from specified locations at specified times depending on the location. A resort complex license is exempt from any quota or restriction on off-sale licenses issued for the election district where the resort complex is located. [*Effective Date: July 1, 2022*]

***Stadium License Service:*** [House Bill 493](#) (*passed*), an emergency bill, repeals the requirement that an individual may serve beer, wine, and liquor under a stadium beer, wine, and liquor license only in a plastic, Styrofoam, or paper container. The bill authorizes an individual to serve beer, wine, and liquor in a glass container in an area in the stadium designated by the license holder to hold a special event. The bill also exempts areas in the stadium designated by the license holder to hold a special event from the requirement that an individual may dispense wine and liquor during a baseball game only from a stationary structure that is equipped with a driver's license scanner. [*Effective Date: May 29, 2022*]

**Howard County** [*The 90 Day Report, Part H-34*]

***License Application Notice:*** [House Bill 1308](#) (*passed*) alters the alcoholic beverages application notification requirement by requiring the board of license commissioners to (1) post a hearing notice on the board's website for at least 15 days before a hearing and (2) provide notice at least 15 days before a hearing to the Howard County Office of Public Information, which must in turn post the information in the same manner as other public meeting notices. The bill also requires an alcoholic beverages license applicant to post a hearing notice on the premises at least 15 days before license application hearings. [*Effective Date: July 1, 2022*]

***Shopping Mall Plaza License:*** [House Bill 840](#) (*passed*) establishes a consumption only shopping mall plaza license that authorizes the holder to allow the consumption of beer, wine, and liquor in a designated outdoor plaza located on the premises of a shopping mall if the beer, wine, or liquor is purchased at any of the designated restaurants located within the mall. The bill also establishes a shopping mall plaza special event permit that authorizes participating restaurants to operate additional bars or service counters for the sale and service of food and alcoholic beverages in a designated outdoor plaza during a special event. [*Effective Date: July 1, 2022*]

**Montgomery County** [*The 90 Day Report, Part H-34 to H-35*]

***Manufacturer's Licenses and Clubhouse/Lodge License:*** [House Bill 232](#) (*passed*) authorizes the issuance of Class 4 limited winery and Class 7 micro-brewery alcoholic beverages manufacturer's licenses to holders of a Class B-BWL (clubhouse/lodge) license. [*Effective Date: July 1, 2022*]

***Class 7 Micro-Brewery License; Kensington Licenses:*** [House Bill 233](#) (*passed*) authorizes the Alcohol and Tobacco Commission to issue a Class 7 micro-brewery (on- and off-sale) license to the holder of a Class D beer, wine, and liquor license that is issued for the sale of beer, wine, and liquor for on-premises consumption. The bill also increases, from 8 to 20, the number of Class A-K (off-sale) beer and wine licenses and the aggregate number of specified licenses that the board of license commissioners may issue in the Town of Kensington. [*Effective Date: July 1, 2022*]

***Damascus – Class B Beer, Wine, and Liquor License Referendum:*** [House Bill 241](#) (*passed*) authorizes the board of license commissioners to issue a Class B beer, wine, and liquor license in Damascus (12th election district). The passage of the bill is contingent on the approval of the voters of Damascus at the November 2022 general election [*Effective Date: July 1, 2022*]

***Consumption Only Marketplace License:*** [House Bill 242](#) (*passed*) authorizes the board of license commissioners to issue a consumption only marketplace license to the management company of a commercial shopping center if the shopping center meets specified criteria. The bill also alters the area where the license holder may allow the consumption of beer, wine, and liquor in a designated outdoor area to include an area within 1,000 feet of the designated outdoor area. [*Effective Date: July 1, 2022*]

**Prince George's County** [*The 90 Day Report, Part H-35*]

***Alcoholic Beverages Licenses – Limits and License Renewals:*** [House Bill 1050](#) (*passed*), an emergency bill, increases, from 185 to 215, the maximum number of Class B beer, wine, and liquor licenses that the board of license commissioners may issue. The bill also requires the board of license commissioners to accept, by May 1, 2022, a license renewal application filed by the holder of a Class B license that is set to expire on May 31, 2022. The board may impose a late fee for each of these license renewal applications filed after April 1, 2022. [***Effective Date: May 29, 2022***]

***Sunday Off-sale Permits:*** [House Bill 357](#) (*passed*) repeals the limitation on the number of Sunday off-sale permits that the board of license commissioners may issue to the holder of any Class A license or the holder of any Class B license with an off-sale privilege that acquired the license on or after January 1, 2016. The bill also repeals the total limit of 105 Sunday off-sale permits that may be in effect at any one time for holders of any Class A license or any Class B license with an off-sale privilege. [***Effective Date: June 1, 2022***]

**Queen Anne's County** [*The 90 Day Report, Part H-35*]

***License Applications:*** [Senate Bill 340](#) (*passed*) authorizes the board of license commissioners to exempt up to four alcoholic beverages licenses from specified license application and annual sworn-statement requirements. However, the bill prohibits the board from granting an exemption for licensed premises located within the Kent Narrows Commercial Management and Waterfront Improvement District. [***Effective Date: July 1, 2022***]

**Somerset County** [*The 90 Day Report, Part H-35*]

***Abolishment of Liquor Control Board and Dispensary System:*** [House Bill 671](#) (*passed*) repeals the Somerset County Liquor Control Board and the alcoholic beverages dispensary system in the county. The bill generally transfers all assets from the liquor control board to the county and requires any reserve funds of the liquor control board to be distributed and deposited into the county's general fund. The bill also establishes a Class A beer, wine, and liquor license in the county. [***Effective Dates: July 1, 2022 & January 1, 2023***]

**St. Mary's County** [*The 90 Day Report, Part H-35*]

***Leonardtown Distance Restriction:*** [House Bill 474](#) (*passed*) exempts the Town of Leonardtown from the prohibition against the board of license commissioners issuing any alcoholic beverages license within 300 feet of a place of worship or school. [***Effective Date: July 1, 2022***]

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

***Alcoholic Beverages Licenses – Wine:*** [House Bill 1106](#) (*passed*) repeals the definition of light wine in the county. The bill correspondingly replaces remaining references to "light wine" in



statute with “wine.” In addition, the bill authorizes the board of license commissioners to issue a refillable container permit for wine. [*Effective Date: July 1, 2022*]

***Class CT License:*** [House Bill 280](#) (*passed*) removes a specification that the board of license commissioners may issue a Class CT (cinema/theater) (on-sale) beer, wine, and liquor license for use in a cinema or theater that is in a *stand-alone* building, as specified. [*Effective Date: July 1, 2022*]

***University and College Hospitality Beer, Wine, and Liquor License:*** [House Bill 856](#) (*passed*) establishes a university and college hospitality beer, wine, and liquor license. The license authorizes the license holder to allow the preparation, serving, and consumption of beer, wine, and liquor by individuals who are least 21 years old and are registered in a hospitality and tourism management class offered by the license holder. [*Effective Date: July 1, 2022*]

***Sidewalk Cafe/Patio Permit:*** [House Bill 1117](#) (*passed*) replaces the existing sidewalk cafe permit with a sidewalk cafe/patio permit. [*Effective Date: July 1, 2022*]

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

***Banquet Facility License:*** [Senate Bill 646/House Bill 1181](#) (*both passed*) establish the Class B-BF (banquet facility) beer, wine, and liquor license. The board of license commissioners may issue the license for use by any banquet facility that meets specified criteria. The license holder may sell at retail beer, wine, and liquor for on-premises consumption. [*Effective Date: July 1, 2022*]

***Dinner Theater License:*** [House Bill 1180](#) (*passed*) establishes the Class B-DT (dinner theater) beer, wine, and liquor license. The board of license commissioners may issue the license for the use of a dinner theater that (1) provides specified forms of entertainment to the dinner theater’s customers; (2) is open to the public by reservation only; and (3) contains a dining room with facilities for serving full-course meals for at least 80 individuals at one seating. [*Effective Date: July 1, 2022*]