

Summary of Harford County Legislative Changes from the 2015 Maryland General Assembly

Harford County Legislation

Class DBR license

Article 2B, § 3-402

This bill applies only in Harford County and authorizes the Board to issue a Class DBR license to the holder of a Class 5 Manufacturer's (Brewery) License.

- 1) The Class DBR license will serve as the on-site consumption permit required by a Class 5 brewery.
- 2) The License holder is not required to sell food, but is required to provide prepackaged snacks.

The Class DBR license allows the holder:

- 1) May sell not more than 500 barrels (31 gallons each) of beer, brewed on the premises, for on-premises consumption
- 2) May not sell beer for off-premises consumption other than what is allowed by the Class 5 license. (Limited to 288 ounces [9 quarts or 18 pints] of beer per person) Beer for off-premise consumption may only be sold to a person who participates in a tour of the brewery or attends a scheduled promotional event or other organized activity at the licensed premises.
- 3) Growler sales are limited to containers branded by the permit holder during the hours when a guided tour, promotional event, or other organized activity on the licensed premises may be conducted.
- 4) Must comply with alcohol awareness training requirements defined in § 13-101.
- 5) Sell beer between the hours of 8:00 a.m. and 2:00 a.m.

The annual license fee is \$500.

The Harford County Board of License Commissioners may issue a Class DBR license to a holder of a Class 5 manufacturer's (brewery) license. A Class DBR license serves as the on-site consumption permit and the license equivalent to a Class D license. The Act authorizes the holder of a Class DBR license to sell beer brewed at the brewery, but caps the sale of beer for on-premises consumption at 500 barrels per year. A license holder may not sell beer for off-premises consumption beyond what is allowed under the license holder's Class 5 manufacturer's (brewery) license. A license holder is not required to sell food, but is required to provide prepackaged snacks.

This section takes effect on July 1, 2015.

Class B Café license – beer and wine only

Article 2B, § 5-201

This bill makes the following changes to the existing Class B-Café license:

- 1) Allows the Board to set the maximum number of licenses issued.
- 2) Adds off-premise catering of alcohol (beer & wine only) as an option

The annual fee for this license remains \$1575.

This section takes effect on October 1, 2015.

Class B Café license – beer, wine and liquor

Article 2B, § 6-201

This section adds the following to the existing Café license:

- 1) Allows the sale of beer and wine for on and off-premises consumption
- 2) Allows the sale of liquor for on-premises consumption only
- 3) May be used for the off-premises catering of alcohol

The annual fee for this license is \$3000

House Bill 845 (Ch. 107) authorizes the Harford County Liquor Control Board to issue a special Class B Cafe beer, wine, and liquor license in Harford County. The annual license fee is \$3,000. The special license authorizes the holder to sell beer and wine for consumption on or off the licensed premises and liquor for consumption on the licensed premises. A special cafe license is a seven-day license with an on-premises wine tasting privilege for every day of the year. In addition, the special license may be used for off-premises catering. The Act also repeals the statutory limit on the number of existing Class B Cafe beer and wine licenses, requires the board to set the maximum number of such licenses that it may issue, and allows the license to be used for off-premises catering.

This section takes effect on October 1, 2015.

Appointment of Additional Inspectors

Article 2B, § 15-112(n)

This section removes language that only allowed the Board to appoint inspectors to provide control over newly created Class A licensees. The new language is the following:

The Board and general manager may appoint inspectors as necessary to provide appropriate control over newly created licensees.

House Bill 329 (Ch. 87) authorizes the Harford County Liquor Control Board and general manager to appoint alcoholic beverages inspectors as necessary to provide appropriate control over newly created alcoholic beverages licensees. The Act repeals a provision that limited the board and general manager to appointing, in addition to inspectors serving before July 1, 1979, additional inspectors as necessary to provide appropriate control over newly created Class A off-sale licensees.

This section takes effect on October 1, 2015.

Sale of Wine in Refillable Containers **Article 2B, §§**
8-103, 8-213.3, & 21-107

This section authorizes the sale of wine in refillable containers (growlers) by adding the following changes:

- 1) Wine containers must be between 17 and 34 ounces
- 2) The hours when growlers may be sold are from 8:00 a.m. until 2:00 a.m.

Licensees may now provide the following in growlers: beer, ale, porter, stout, hard cider, mead, and both light and fortified wines.

Senate Bill 299/House Bill 475 (both passed) expand the refillable container permit in Harford County, which currently only applies to beer, to include wine. The existing \$50 permit fee applicable to refillable beer container permits in Harford County applies. The bills also modify the hours of sale for any fluid (beer or wine) in a refillable container in Harford County to reflect the underlying license's hours.

This section takes effect on July 1, 2015.

Residency Requirements for Licensees **Article 2B, 9-101**

This section repeals the responsible operator section and returns the residency requirements prior to July 1, 2014 and reinstates the 10% ownership requirement.

At least one applicant must now have been a resident of Harford County for one year prior to application and must own at least 10% of the business.

House Bill 527 (Ch. 92) repeals Chapter 644 of 2014, which altered residency requirements for certain business entities applying for alcoholic beverages Part H – Business and Economic Issues H-45 licenses in Harford County. If an application is made for specified entities, the applicant must be a resident of Harford County for at least one

year before filing the application and must remain a resident as long as the license is in effect. The applicant is not required to be a registered voter. If an application is made for a corporation or an limited liability company, the application must be applied for by, and be issued to, three of the officers holding a pecuniary interest in the corporation or three of the authorized persons holding a pecuniary interest in the limited liability company, as individuals, for the use of the corporation or limited liability company, as the case may be. One of the applicants must be a bona fide resident of the county and the license remains valid only as long as the resident applicant remains a resident of the county. A resident applicant must (1) own at least 25% of the total business, except that in the case of an applicant for a Class B (beer, wine, and liquor) license, the resident applicant must own at least 10% of the total business; (2) serve as manager or supervisor; and (3) be physically present on the premises a substantial amount of time on a daily basis.

This section takes effect on July 1, 2015.

Applications for Licenses

Article 2B, § 10-103

This section has been amended to remove the outdated requirement that the prospective licensees provide the Board with the signatures of ten registered voters, who meet certain requirements, from the precinct whet the licensed premise will be located.

Applications for Alcoholic Beverages Licenses: House Bill 328 (Ch. 86) repeals the requirement that every application for an alcoholic beverages license filed in Harford County must contain a certificate that (1) is signed by at least 10 citizens who are owners of real estate and registered voters of the precinct in which the business is to be located; (2) states the length of time each signer has known the applicant, or, in the case of a corporation, the individuals making the application; (3) states that the signers have examined the application and that they believe that all the statements contained in the application are true; and (4) states that the signers believe the applicant is a suitable person to obtain the license. The bill also repeals the requirement that the certificate must have a statement that the signers are familiar with the premises where the proposed business will be located and that they believe the location and building are suitable for the business of selling alcoholic beverages.

This section takes effect on July 1, 2015.

This legislation specifies that a qualified 501 (c) (3) or 501 (c) (19) non-profit holding a casino gaming event may only serve alcohol if the proper license is obtained from the Harford County Liquor Control Board.

Senate Bill 443 (passed), and House Bill 425 (passed) adds Harford County to those counties in which casino events (referred to as “gaming contests” in Harford County) are authorized. Each of these bills:

- authorize certain charitable organizations to qualify for a permit to host a casino event;
- require that each event be managed by the organization that is the permit holder;
- state that operational volunteers must be at least 18 years old, and participants must be at least 21 years old;
- specify the number of permits available to an organization in a calendar year;
- require that permit holders charge a preset entrance fee in exchange for tokens at each casino event and prohibit cash to be used for wagering;
- require the permit holder to submit certain financial information to its respective permitting authority;
- establish a penalty for permit violators; and
- authorize each local permitting authority to adopt certain regulations.

This section takes effect on July 1, 2015.

Statewide Legislation

Ban on Powdered Alcohol

Article 2B, § 16-505.3

This legislation enacts a general prohibition on the sale of powdered alcohol.

Palcohol is a prepackaged powder that can be dissolved in a liquid to produce an alcoholic beverage. The Alcohol and Tobacco Tax and Trade Bureau of the U.S. Department of the Treasury approved labels for Palcohol on March 10, 2015, making it legal for Palcohol to be sold in the United States. Additionally, the U.S. Food and Drug Administration has determined that the nonalcohol ingredients in Palcohol comply with agency regulations.

Specifically, the bills prohibit a person from selling or offering for sale alcoholic beverages that are sold in powder or crystalline form to be used directly or in combination with water or any other substance. A violator is guilty of a misdemeanor and on conviction is subject to a fine of up to \$1,000. The bills terminate on June 30, 2016.

In March 2015, Maryland liquor sellers and distributors agreed with the Comptroller to ban the sale and distribution of Palcohol in Maryland indefinitely.

This section takes effect on June 1, 2015 and shall remain effective until June 30, 2016.

Judicial Review of Local Licensing Board Decisions Article 2B, § 16-101

This section repeals the 90-day time limit for a circuit court to affirm, modify, or reverse a local alcoholic beverages licensing board's decision to approve, deny, suspend, revoke, or restrict a license.

The decision of a local licensing board to approve, deny, suspend, revoke, or restrict a license is subject to judicial review by a circuit court. A licensee, license applicant, or group that seeks judicial review of a decision of a local licensing board must be aggrieved by the decision of the board and must have appeared at the hearing of the board either in person, by a representative, or by the submission of a written document that was introduced at the hearing. Upon the filing of a petition for judicial review, the local licensing board may stay its order until a final determination is made.

This section takes effect on July 1, 2015.

This section establishes a nonprofit beer festival permit through a lengthy series of confusing regulations and a tangled web of control between the local licensing board and the Comptroller's Office. A local licensing board may issue the beer festival permit to nonprofit organizations that meet specified requirements. The permit fee is \$100. The bills also authorize the Comptroller's Office to issue a brewing company off-site permit to a Class 5 brewery, a Class 7 micro-brewery, or a Class 8 farm brewery and to license or allow these licensees to participate in specified festivals, farmers' markets, fairs, and other events.

THERE IS A NONPROFIT BEER FESTIVAL PERMIT.

(B) (1) AN APPLICANT FOR A NONPROFIT BEER FESTIVAL PERMIT SHALL BE A NONPROFIT ORGANIZATION, AS DEFINED BY § 501(C) OF THE INTERNAL REVENUE CODE.

(2) A LOCAL LICENSING BOARD MAY ISSUE THE PERMIT TO A NONPROFIT ORGANIZATION THAT MEETS THE REQUIREMENTS OF THIS SECTION.

(3) A PERMIT AUTHORIZES THE PERMIT HOLDER TO CONDUCT A NONPROFIT BEER FESTIVAL FOR AT LEAST 1 DAY AND NOT MORE THAN 3 CONSECUTIVE DAYS.

(C) (1) THE PERMIT HOLDER MAY PURCHASE BEER AT WHOLESale TO:

(I) PROVIDE TO A CONSUMER A SAMPLE THAT MAY NOT EXCEED 1 FLUID OUNCE FOR EACH BRAND; AND

(II) SELL TO A CONSUMER BEER FOR ON- AND OFF-PREMISES CONSUMPTION.

(2) THE PERMIT HOLDER SHALL PROVIDE SPACE AT A NONPROFIT BEER FESTIVAL FOR HOLDERS OF BREWING COMPANY OFF-SITE PERMITS.

(3) A HOLDER OF A BREWING COMPANY OFF-SITE PERMIT THAT ATTENDS A NONPROFIT BEER FESTIVAL MAY PROVIDE BEER TO A CONSUMER IN THE SAME MANNER AS THE HOLDER OF THE NONPROFIT BEER FESTIVAL PERMIT.

(4) THE PERMIT HOLDER MAY PROVIDE OR SELL AT THE NONPROFIT BEER FESTIVAL ONLY ALCOHOLIC BEVERAGES PROVIDED BY THE PERMIT HOLDER OR A HOLDER OF A BREWING COMPANY OFF-SITE PERMIT THAT IS IN ATTENDANCE.

(D) AT ALL TIMES DURING THE NONPROFIT BEER FESTIVAL, THE PERMIT HOLDER SHALL HAVE PRESENT AT LEAST TWO AGENTS, ONE OF WHOM MAY BE THE PERMIT HOLDER, WHO ARE CERTIFIED BY AN APPROVED ALCOHOL AWARENESS PROGRAM.

(E) AN APPLICANT FOR A NONPROFIT BEER FESTIVAL PERMIT SHALL:

(1) NO LESS THAN 30 DAYS BEFORE THE PROPOSED EVENT, SUBMIT TO THE LOCAL LICENSING BOARD A COMPLETED APPLICATION ON A FORM THAT THE OFFICE OF THE COMPTROLLER PROVIDES THAT:

(I) STATES THAT THE PRIMARY PURPOSE OF THE NONPROFIT BEER FESTIVAL IS TO PROMOTE MARYLAND BEER;

(II) PROVIDES DETAILS OF THE NONPROFIT BEER FESTIVAL, INCLUDING THE LOCATION, DATES, AND TIMES OF OPERATION; AND

(III) INCLUDES APPROPRIATE EVIDENCE THAT THE OWNER OF THE PROPERTY IN WHICH THE NONPROFIT BEER FESTIVAL MAY BE HELD HAS GIVEN PERMISSION TO THE APPLICANT TO HAVE THE NONPROFIT BEER FESTIVAL ON ITS PREMISES; AND

(2) PAY A FEE OF \$100 FOR THE NONPROFIT BEER FESTIVAL PERMIT TO THE LOCAL LICENSING BOARD.

(F) NO LESS THAN 15 DAYS BEFORE THE NONPROFIT BEER FESTIVAL, THE PERMIT HOLDER SHALL PROVIDE THE LOCAL LICENSING BOARD WITH A LIST OF BREWING COMPANY OFF-SITE PERMIT HOLDERS THAT WILL ATTEND.

This section takes effect on June 1, 2015.

Beer and Breweries

Article 2B, § 3-402

This section removes the limit on how much beer a class 5 brewery may produce annually for sale to wholesalers.

A Class 5 brewery licensee is authorized to (1) establish and operate a plant in Maryland for brewing and bottling malt beverages at the location described in the license; (2) import beer from holders of nonresident dealer's permits; and (3) sell and deliver an unlimited quantity of beer to any wholesale licensee in the State, or person outside of this State, authorized to acquire it. A Class 7 micro-brewery licensee may sell up to 4,000 barrels of beer to customers for consumption on the premises and may collectively brew, bottle, or contract for up to 22,500 barrels of malt beverages each calendar year.

This section takes effect on July 1, 2015.