

Chapter 204

(Senate Bill 248)

AN ACT concerning

Alcoholic Beverages – Direct Wine ~~Shipper's Permit~~ Shipment

FOR the purpose of repealing provisions that provide for a direct wine seller's permit; establishing a direct wine shipper's permit to be issued by the Office of the Comptroller; authorizing the Office ~~of the Comptroller~~ to issue a common carrier permit to certain persons; specifying a certain common carrier permit fee; requiring a person to ~~be licensed~~ obtain a certain permit before the person ~~or the person's agent~~ may engage in shipping wine directly to a direct wine consumer in the State; requiring an applicant to meet certain qualifications for a direct wine shipper's permit, submit an application and a copy of its current alcoholic beverages license or proof of the applicant's status to the Office ~~of the Comptroller~~, and pay a certain fee; specifying the term of a direct wine shipper's permit; requiring a direct wine shipper to perform certain actions; prohibiting a direct wine shipper from shipping more than a certain amount of wine ~~annually each year to any one consumer or~~ a single delivery address or ~~make~~ making deliveries on Sunday; requiring a direct wine shipper to meet certain requirements to renew the permit; authorizing the Office ~~of the Comptroller~~ to deny a renewal application under certain circumstances; specifying certain requirements for receiving a direct shipment of wine; requiring a common carrier to make a certain report; requiring a common carrier to submit certain information to the Comptroller in a certain manner at certain times; requiring a common carrier to verify certain information each year in a certain manner; requiring certain persons to maintain certain records for a certain period; allowing a shipment of wine to be ordered or purchased through electronic or other means; authorizing the Office ~~of the Comptroller~~ to adopt certain regulations; prohibiting a person without a permit from shipping wine directly to consumers in the State; providing that each violation of certain provisions is a separate violation, subject to certain penalties; providing for the application of certain provisions concerning delivery of alcoholic beverages; requiring a certain security to be posted under certain circumstances; defining certain terms; making certain technical corrections; altering a certain definition; requiring the Comptroller to study certain matters and submit a report to certain committees on or before a certain date; making the provisions of this Act severable; and generally relating to the establishment of a direct wine shipper's permit.

BY repealing

Article 2B – Alcoholic Beverages

Section 7.5–101 through 7.5–110 and the title “Title 7.5. Direct Wine Seller's Permit”

Annotated Code of Maryland
(2005 Replacement Volume and 2010 Supplement)

BY repealing and reenacting, with amendments,
Article 2B – Alcoholic Beverages
Section 2–101(b)(1)(i) and (g), 9–102(a), 12–301, 14–202, and 15–204(b)
Annotated Code of Maryland
(2005 Replacement Volume and 2010 Supplement)

BY adding to
Article 2B – Alcoholic Beverages
Section 2–101(y); and 7.5–101 through ~~7.5–113~~ 7.5–114 to be under the new
title “Title 7.5. Direct Wine Shipper’s Permit”
Annotated Code of Maryland
(2005 Replacement Volume and 2010 Supplement)

BY repealing and reenacting, without amendments,
Article 2B – Alcoholic Beverages
Section 16–503
Annotated Code of Maryland
(2005 Replacement Volume and 2010 Supplement)

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 5–101(a)
Annotated Code of Maryland
(2010 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 5–101(f), 5–201(d), and 13–825(b)
Annotated Code of Maryland
(2010 Replacement Volume)

BY adding to
Article – Tax – General
Section 13–825(i)
Annotated Code of Maryland
(2010 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 7.5–101 through 7.5–110 and the title “Title 7.5. Direct Wine Seller’s Permit” of Article 2B – Alcoholic Beverages of the Annotated Code of Maryland be repealed.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article 2B – Alcoholic Beverages

2–101.

(b) (1) (i) The Office of the Comptroller shall collect a fee for the issuance or renewal of the following permits:

1. \$50 for a solicitor's permit, an individual storage permit, a nonresident winery permit, or a commercial nonbeverage permit;
2. \$75 for a public storage permit, a public transportation permit, or an import and export permit;
3. \$200 for a public storage and transportation permit, a nonresident dealer's permit, a resident dealer's permit, or a bulk transfer permit;
4. \$400 for a family beer and wine facility permit; ~~and~~
5. **[\$10] ~~\$100~~ \$200** for **ISSUANCE OR RENEWAL OF** a direct wine [seller's permit] **SHIPPER'S PERMIT; AND**
6. **\$100 FOR A COMMON CARRIER PERMIT.**

(g) **(1)** The permit authorizes the operation of a warehouse for the storage of alcoholic beverages for the accounts of other persons and for the transportation for the accounts of other persons of alcoholic beverages into, within, or out of this State.

(2) A permit may be issued for transportation or storage, or both.

(3) A license or permit holder need not have a transportation permit to deliver alcoholic beverages which under this article the licensee or permit holder is authorized to acquire, store, sell, or use.

(Y) (1) THE OFFICE OF THE COMPTROLLER MAY ISSUE A COMMON CARRIER PERMIT TO A PERSON WHO MEETS THE DEFINITION OF A "COMMON CARRIER" UNDER § 7.5–101 OF THIS ARTICLE.

(2) THE HOLDER OF A COMMON CARRIER PERMIT MAY DELIVER WINE FROM A LOCATION INSIDE OR OUTSIDE THE STATE TO A CONSUMER IN THE STATE FOR THE CONSUMER'S PERSONAL USE UNDER TITLE 7.5 OF THIS ARTICLE.

(3) THE HOLDER OF A COMMON CARRIER PERMIT THAT DELIVERS WINE SOLELY UNDER TITLE 7.5 OF THIS ARTICLE MAY NOT BE REQUIRED TO OBTAIN A TRANSPORTATION PERMIT ISSUED UNDER SUBSECTION (G) OF THIS SECTION IN ADDITION TO THE COMMON CARRIER PERMIT.

TITLE 7.5. DIRECT WINE SHIPPER'S PERMIT.

7.5-101.

(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) (1) "COMMON CARRIER" MEANS A BUSINESS ENTITY THAT ~~HOLDS:~~

(I) HOLDS ITSELF OUT AS BEING AVAILABLE TO THE PUBLIC TO TRANSPORT IN INTERSTATE OR FOREIGN COMMERCE FOR COMPENSATION ANY CLASS OF PASSENGER OR PROPERTY; AND

(II) HOLDS A COMMON CARRIER PERMIT ISSUED UNDER § 2-101(Y) OF THIS ARTICLE.

(2) "COMMON CARRIER" DOES NOT INCLUDE A BUSINESS ENTITY THAT TRANSPORTS ONLY PROPERTY IT OWNS OR THAT IS CONSIGNED TO IT.

(C) "DIRECT WINE SHIPPER" MEANS THE HOLDER OF A DIRECT WINE SHIPPER'S PERMIT ISSUED UNDER THIS TITLE.

(D) ~~"WINE POMACE BRANDY" INCLUDES~~ "WINE POMACE BRANDY" INCLUDES MEANS BRANDY THAT IS DISTILLED FROM THE PULPY RESIDUE OF THE WINE PRESS, INCLUDING THE SKINS, PIPS, AND STALKS OF GRAPES.

(E) (1) "WINE" INCLUDES POMACE BRANDY.

(2) "WINE" DOES NOT INCLUDE BEER, DISTILLED SPIRITS, OR ANY ALCOHOLIC BEVERAGE OTHER THAN WINE.

7.5-102.

A PERSON SHALL BE ISSUED A DIRECT WINE SHIPPER'S PERMIT BY THE OFFICE OF THE COMPTROLLER AS A DIRECT WINE SHIPPER BEFORE THE PERSON ~~OR THE PERSON'S AGENT~~ MAY ENGAGE IN SHIPPING WINE DIRECTLY TO A CONSUMER IN THE STATE.

7.5-103.

TO QUALIFY FOR A DIRECT WINE SHIPPER'S PERMIT, AN APPLICANT SHALL BE:

(1) A PERSON LICENSED OUTSIDE THE STATE TO ENGAGE IN THE MANUFACTURE OF WINE; OR

~~(2) AN AUTHORIZED BRAND OWNER OF WINE, A UNITED STATES IMPORTER OF WINE, OR A DESIGNATED MARYLAND AGENT OF A BRAND OWNER OR UNITED STATES IMPORTER;~~

~~(3)~~ (2) A HOLDER OF A CLASS 3 MANUFACTURER'S LICENSE OR A CLASS 4 MANUFACTURER'S LICENSE ISSUED UNDER THIS ARTICLE; OR

~~(4) A PERSON LICENSED BY THE STATE OR OUTSIDE THE STATE TO ENGAGE IN THE RETAIL SALE OF WINE FOR CONSUMPTION OFF THE PREMISES.~~

7.5-104.

(A) AN APPLICANT FOR A DIRECT WINE SHIPPER'S PERMIT SHALL:

(1) SUBMIT TO THE OFFICE OF THE COMPTROLLER A COMPLETED APPLICATION ON A FORM THAT THE OFFICE OF THE COMPTROLLER PROVIDES;

(2) PROVIDE TO THE OFFICE OF THE COMPTROLLER:

~~(i) A COPY OF THE APPLICANT'S CURRENT ALCOHOLIC BEVERAGES LICENSE; OR~~

~~(ii) PROOF OF THE APPLICANT'S STATUS AS:~~

~~1. AN AUTHORIZED BRAND OWNER OF WINE;~~

~~2. A UNITED STATES IMPORTER OF WINE; OR~~

~~3. A DESIGNATED MARYLAND AGENT OF A BRAND OWNER; AND~~

~~(3) PAY A FEE OF \$100~~ A COPY OF THE APPLICANT'S CURRENT ALCOHOLIC BEVERAGES LICENSE; AND

(2) (3) PAY A FEE OF \$200 FOR INITIAL ISSUANCE OF THE DIRECT WINE SHIPPER'S PERMIT.

(B) THE OFFICE OF THE COMPTROLLER SHALL ISSUE A DIRECT WINE SHIPPER'S PERMIT TO EACH APPLICANT WHO MEETS THE REQUIREMENTS OF THIS TITLE FOR THE DIRECT WINE SHIPPER'S PERMIT.

7.5-105.

A DIRECT WINE SHIPPER'S PERMIT ENTITLES THE HOLDER TO SELL WINE MANUFACTURED BY THE HOLDER THROUGH A HOLDER OF A COMMON CARRIER PERMIT TO A CONSUMER BY RECEIVING AND FILLING ORDERS THAT THE CONSUMER TRANSMITS BY ELECTRONIC OR OTHER MEANS.

7.5-106.

THE TERM OF A DIRECT WINE SHIPPER'S PERMIT IS 1 YEAR AND BEGINS ON ~~THE DAY THE COMPTROLLER ISSUES THE PERMIT~~ JULY 1.

7.5-107.

(A) A DIRECT WINE SHIPPER SHALL:

(1) ENSURE THAT ALL CONTAINERS OF WINE SHIPPED DIRECTLY TO A CONSUMER IN THE STATE ARE CONSPICUOUSLY LABELED WITH:

(i) THE NAME OF THE DIRECT WINE SHIPPER;

(ii) THE NAME AND ADDRESS OF THE CONSUMER WHO IS THE INTENDED RECIPIENT; AND

(iii) THE WORDS "CONTAINS ALCOHOL: SIGNATURE OF PERSON AT LEAST 21 YEARS OF AGE REQUIRED FOR DELIVERY";

(2) REPORT QUARTERLY TO THE OFFICE OF THE COMPTROLLER THE TOTAL AMOUNT OF WINE, BY TYPE, SHIPPED IN THE STATE, THE PRICE CHARGED, AND THE NAME AND ADDRESS OF EACH PURCHASER;

(3) FILE A QUARTERLY TAX RETURN IN ACCORDANCE WITH § 5-201(D) OF THE TAX - GENERAL ARTICLE;

(4) PAY QUARTERLY TO THE OFFICE OF THE COMPTROLLER ALL SALES TAXES AND EXCISE TAXES DUE ON SALES TO CONSUMERS IN THE STATE;

AND CALCULATE THE TAXES AS IF THE SALE WERE MADE ~~AT THE DELIVERY LOCATION IN THE STATE;~~

(5) MAINTAIN FOR A PERIOD OF 3 YEARS COMPLETE AND ACCURATE RECORDS OF ALL INFORMATION NEEDED TO VERIFY COMPLIANCE WITH THIS TITLE;

~~(5)~~ (6) ALLOW THE OFFICE OF THE COMPTROLLER TO PERFORM AN AUDIT OF THE DIRECT WINE SHIPPER'S RECORDS ON REQUEST; AND

~~(6)~~ (7) CONSENT TO THE JURISDICTION OF THE OFFICE OF THE COMPTROLLER OR OTHER STATE UNIT AND THE STATE COURTS CONCERNING ENFORCEMENT OF THIS SECTION AND ANY RELATED LAW.

(B) A DIRECT WINE SHIPPER MAY NOT:

(1) SHIP MORE THAN ~~24~~ 18 9-LITER CASES OF WINE ANNUALLY TO ~~ANY ONE CONSUMER~~ A SINGLE DELIVERY ADDRESS; OR

(2) CAUSE WINE TO BE DELIVERED ON SUNDAY TO AN ADDRESS IN THE STATE.

7.5-108.

(A) A DIRECT WINE SHIPPER MAY ~~ANNUALLY~~ RENEW ITS DIRECT WINE SHIPPER'S PERMIT EACH YEAR IF THE DIRECT WINE SHIPPER:

(1) IS OTHERWISE ENTITLED TO HAVE A DIRECT WINE SHIPPER'S PERMIT;

(2) PROVIDES TO THE OFFICE OF THE COMPTROLLER A COPY OF ITS CURRENT PERMIT; AND

(3) PAYS TO THE OFFICE OF THE COMPTROLLER A RENEWAL FEE OF ~~\$50~~ \$200.

(B) THE OFFICE OF THE COMPTROLLER MAY DENY A RENEWAL APPLICATION OF A DIRECT WINE SHIPPER WHO FAILS TO:

(1) FILE A TAX RETURN REQUIRED UNDER THIS TITLE;

(2) PAY A FEE OR TAX WHEN DUE; OR

(3) AFTER RECEIVING NOTICE, COMPLY WITH A PROVISION OF THIS ARTICLE OR A REGULATION THAT THE OFFICE OF THE COMPTROLLER ADOPTS UNDER THIS ARTICLE.

7.5-109.

(A) TO RECEIVE A DIRECT SHIPMENT OF WINE, A CONSUMER IN THE STATE SHALL BE AT LEAST 21 YEARS OLD.

(B) A PERSON WHO RECEIVES A SHIPMENT OF WINE SHALL USE THE SHIPMENT FOR PERSONAL CONSUMPTION ONLY AND MAY NOT RESELL IT.

7.5-110.

(A) A PERSON SHALL BE ISSUED A COMMON CARRIER PERMIT BEFORE THE PERSON MAY ENGAGE IN TRANSPORTING WINE FROM A DIRECT WINE SHIPPER TO A CONSUMER.

(B) THE TERM OF A COMMON CARRIER PERMIT IS 1 YEAR AND BEGINS ON JULY 1.

~~(B)~~ (C) TO COMPLETE DELIVERY OF A SHIPMENT, THE COMMON CARRIER SHALL REQUIRE FROM A CONSUMER AT THE ADDRESS LISTED ON THE SHIPPING LABEL:

(1) THE SIGNATURE OF THE CONSUMER OR ANOTHER INDIVIDUAL AT THE ADDRESS WHO IS AT LEAST 21 YEARS OLD; AND

(2) ~~PHOTOGRAPHIC~~ GOVERNMENT-ISSUED PHOTOGRAPHIC IDENTIFICATION SHOWING THAT THE ~~CONSUMER~~ SIGNING INDIVIDUAL IS AT LEAST 21 YEARS OLD.

~~(C)~~ (D) A COMMON CARRIER SHALL REFUSE DELIVERY WHEN THE INTENDED RECEIVING ~~CONSUMER~~ INDIVIDUAL APPEARS TO BE UNDER 21 YEARS ~~OLD~~ OF AGE OR REFUSES TO PRESENT VALID IDENTIFICATION.

(E) AT THE TIME OF INITIAL APPLICATION FOR A COMMON CARRIER PERMIT AND ON REQUEST OF THE COMPTROLLER, A COMMON CARRIER SHALL SUBMIT TO THE COMPTROLLER INFORMATION CONCERNING THE TRAINING OF ITS DRIVERS IN VERIFYING THE AGE OF RECIPIENTS OF DIRECT WINE SHIPMENTS UNDER THIS TITLE.

(F) AT LEAST ONCE EACH YEAR, IN A MANNER ACCEPTABLE TO THE COMPTROLLER, A HOLDER OF A COMMON CARRIER PERMIT SHALL VERIFY THAT THE SHIPPER OF WINE INTO THE STATE UNDER THIS TITLE HOLDS A VALID DIRECT WINE SHIPPER'S ~~LICENSE~~ PERMIT.

7.5-111.

(A) A COMMON CARRIER SHALL REPORT QUARTERLY TO THE OFFICE OF THE COMPTROLLER:

~~(A)~~ **(1) THE DATE OF EACH DELIVERY OF WINE IN THE STATE; AND**

~~(B)~~ **(2) THE NAME AND ADDRESS OF THE DIRECT WINE SHIPPER AND THE RECEIVING CONSUMER OF EACH DELIVERY.**

(B) A COMMON CARRIER SHALL MAINTAIN FOR A PERIOD OF 3 YEARS COMPLETE AND ACCURATE RECORDS OF ALL INFORMATION NEEDED TO VERIFY COMPLIANCE WITH THIS TITLE.

7.5-112.

THE OFFICE OF THE COMPTROLLER MAY ADOPT REGULATIONS TO CARRY OUT THIS TITLE.

7.5-113.

~~A BUSINESS ENTITY~~ PERSON WITHOUT A DIRECT WINE SHIPPER'S PERMIT MAY NOT SHIP WINE DIRECTLY TO CONSUMERS IN THE STATE.

7.5-114.

EACH VIOLATION OF THIS TITLE IS A SEPARATE VIOLATION.

9-102.

(a) **(1) No more than one license provided by this article, except by way of renewal or as otherwise provided in this section, shall be issued in any county or Baltimore City, to any person, or for the use of any partnership, corporation, unincorporated association, or limited liability company, in Baltimore City or any county of the ~~State, and no~~ STATE.**

(2) NO more than one license shall be issued for the same premises except as provided in §§ 2-201 through 2-208, 2-301, ~~and~~ 6-701, AND TITLE 7.5 of this article, and nothing herein shall ARTICLE.

(3) THIS SUBSECTION MAY NOT be construed to apply to § 6–201(r)(4), (15), (17), and (18), § 7–101(b) and (c), § 8–202(g)(2)(ii) and (iii), § 8–217(e), § 8–508, § 8–902, § 9–217(b–1), or § 12–202 of this article.

12–301.

(a) (1) A retail dealer may not employ any solicitor or salesman for the purpose of soliciting, outside of the licensed place of business, orders for the sale of any alcoholic beverages within this State.

(2) The sale of alcoholic beverages may not be consummated outside of the licensed place of business.

(3) These provisions do not prohibit the receiving of orders by mail, telephone or messenger and the filling of such orders by delivery and the payment for them at the place of delivery.

(b) Retail delivery to a purchaser of any alcoholic beverages is prohibited unless:

(1) The delivery is made from the retail licensed premises by the retail license holder or employee of the retail license holder authorized to sell and distribute alcoholic beverages by the local licensing authority in the jurisdiction where the delivery is made; and

(2) The retail license holder obtains a letter of authorization from the local licensing authority to make deliveries and complies with any regulations promulgated by the local licensing authority pertaining to those deliveries.

(c) (1) This subsection applies only in Howard County.

(2) An alcoholic beverages licensee may not make a retail delivery of alcoholic beverages unless the purchaser:

(i) Is physically present on the licensed premises when the purchaser orders the alcoholic beverages; and

(ii) Makes payment for the purchase at the time of the order.

(d) (1) This subsection applies only in Montgomery County.

(2) An alcoholic beverages licensee may not make an off-site retail delivery of alcoholic beverages unless:

(i) The deliverer is at least:

1. 21 years old; or
2. 18 years old and is accompanied by a supervisor who is at least 21 years old; and

(ii) The person taking possession of the delivery provides the deliverer with written certification supported by documentary proof that the person is of legal age to purchase alcoholic beverages. Certification shall be in the form set forth in § 12-109(1) of this article.

(3) (i) Each certification executed under this subsection shall be retained by the licensee for at least 1 year.

(ii) The certifications shall be available for examination during regular business hours by an authorized representative of the Board of License Commissioners.

(4) The Board of License Commissioners shall adopt regulations to implement this subsection.

(e) (1) This subsection applies only in Garrett County.

(2) The Board of License Commissioners may issue a delivery option that entitles an alcoholic beverages licensee or an authorized employee of the licensee to make an off-site retail delivery of alcoholic beverages if:

(i) The deliverer is at least 21 years old and certified by an approved alcohol awareness program;

(ii) The deliverer and purchaser endorse a delivery form that the Board of License Commissioners approves certifying that:

1. The person who receives the delivery claims to be at least 21 years old, and the claim is supported by documentary proof;

2. The person who receives the delivery knows that it is a criminal offense for alcoholic beverages to be furnished to a person under the age of 21 years; and

3. The deliverer examined the purchaser's identification.

(3) Each delivery form endorsed under paragraph (2)(ii) of this subsection shall be submitted to the Board of License Commissioners on or before the 10th day of the following month.

(4) (i) The annual fee for a delivery option is \$150.

(ii) In addition to an annual fee, the Board of License Commissioners shall charge an issuing fee of \$150.

(5) The Board of License Commissioners shall adopt regulations to carry out this subsection.

(F) THIS SECTION DOES NOT APPLY TO:

(1) THE DELIVERY OF WINE FROM A DIRECT WINE SHIPPER TO A CONSUMER USING A COMMON CARRIER IN ACCORDANCE WITH TITLE 7.5 OF THIS ARTICLE; OR

(2) THE HOLDER OF A COMMON CARRIER PERMIT IN THE COURSE OF DELIVERING DIRECTLY SHIPPED WINE IN ACCORDANCE WITH TITLE 7.5 OF THIS ARTICLE.

14-202.

(A) Every common carrier, by rail, air, water or highway, transporting alcoholic beverages, either in interstate or intrastate commerce, to points within the State of Maryland, and every person transporting alcoholic beverages by [whatsoever manner] ANY MEANS within the State of Maryland, shall at any time and from time to time, upon written request of the Comptroller, report under oath on forms prescribed by the Comptroller, all such consignments or deliveries of alcoholic beverages, for such period as the Comptroller may specify.

(B) If required by the Comptroller, [such] THE reports shall show [the]:

(1) THE name and address of the person to whom the deliveries of alcoholic beverages have actually and in fact been made[, the];

(2) THE name and address of the original consignee, if alcoholic beverages have been delivered to any other PERSON than the originally named consignee[, the];

(3) THE point of origin, the point of delivery, the date of delivery and the number and initials of each car, if shipped by rail, the name of the boat, barge or vessel, if shipped by water, the license number of each truck, if shipped by motor truck, or if delivered by other means, the manner in which [such] THE delivery was made[, the];

(4) THE kind of alcoholic beverages and the number of gallons [thereof] OF EACH contained in any such shipment or shipments; and [such]

(5) ANY other additional information relative to shipments [as] THAT the Comptroller may require.

(C) Nothing [herein] IN THIS SECTION [shall] MAY be construed to authorize [the]:

(1) THE consignment of alcoholic beverages from any point outside of the State to points within the State of Maryland, to any person except [the]:

(I) THE holder of a permit or manufacturer's or wholesaler's license, duly issued under [the provisions of] this article; or [the]

(II) A CONSUMER UNDER TITLE 7.5 OF THIS ARTICLE; OR

(2) THE consignment of alcoholic beverages from any point within this State to a point outside the State, to any person not authorized to receive the same under the law of the point of destination.

15-204.

(b) (1) Provided, that in Montgomery County no person, firm, or corporation shall keep for sale any alcoholic beverage not purchased from the Department of Liquor Control for Montgomery County, provided, however, that nothing in this subsection shall apply to a holder of a Class F license or a holder of a Class 1 beer, wine and liquor, Class 2 wine and liquor, Class 3 beer and wine, Class 4 beer, or Class 5 wine wholesaler's license, who may not sell or deliver any alcoholic beverage in Montgomery County for resale except to a county liquor dispensary.

(2) Notwithstanding paragraph (1) of this subsection:

(i) 1. A holder of a Class 6 limited wine wholesaler's license or of a nonresident winery permit may sell or deliver wine directly to a county liquor dispensary, restaurant, or other retail dealer in Montgomery County; and

[(ii)] 2. A county liquor dispensary, restaurant, or other retail dealer in Montgomery County may purchase wine directly from a holder of a Class 6 limited wine wholesaler's license or of a nonresident winery permit; AND

(II) A HOLDER OF A DIRECT WINE SHIPPER'S PERMIT MAY SHIP WINE DIRECTLY TO A CONSUMER IN MONTGOMERY COUNTY.

16-503.

Any person violating the provisions of this article for which no penalty, other than the suspension or revocation of a license or permit, is provided, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than one thousand dollars (\$1,000.00) or to imprisonment for not more than two years in the House of Correction, or jail, or both fined and imprisoned.

Article – Tax – General

5–101.

(a) In this title the following words have the meanings indicated.

(f) “Direct wine [seller] **SHIPPER**” has the meaning stated in Article 2B, § 7.5–101 of the Code.

5–201.

(d) [(1)] A person who is a direct wine [seller] **SHIPPER** shall file with the Office of the Comptroller [an annual] **A QUARTERLY** tax return.

[(2)] The annual tax return shall be due no later than October 15 of each year covering the previous 12 calendar months ending September 30.]

13–825.

(b) The Comptroller shall require:

(1) a manufacturer, wholesaler, or nonresident winery permit holder who sells or delivers beer or wine to retailers in the State to post security for the alcoholic beverage tax:

(i) in an amount not less than:

1. \$1,000 for beer; and
2. \$1,000 for wine; and

(ii) if the alcoholic beverage tax on beer and wine paid in any 1 month exceeds \$1,000, in an additional amount at least equal to the excess; [and]

(2) a manufacturer or wholesaler who sells or delivers any distilled spirits or any wine and distilled spirits in the State to post a security for the alcoholic beverage tax:

(i) in an amount not less than \$5,000; and

(ii) in an additional amount:

1. equal to twice the amount of its largest monthly alcoholic beverage tax liability for wine and distilled spirits in the preceding calendar year less \$5,000; or

2. if the information for the preceding calendar year is not available or cannot be provided, equal to the amount that the Comptroller requires; AND

(3) EXCEPT AS PROVIDED IN SUBSECTION (I) OF THIS SECTION, A HOLDER OF A DIRECT WINE SHIPPER'S PERMIT TO POST SECURITY FOR THE ALCOHOLIC BEVERAGE TAX IN AN AMOUNT NOT LESS THAN ~~\$250~~ \$1,000.

(I) A PERSON NEED NOT POST SECURITY UNDER SUBSECTION (B)(3) OF THIS SECTION IF:

(1) THE PERSON IS A MANUFACTURER ~~OR WHOLESALER~~ THAT HAS POSTED SECURITY UNDER SUBSECTION (B)(2) OF THIS SECTION; OR

(2) ~~NOT LATER THAN THE THIRD ANNIVERSARY OF ISSUING A~~ AT ANY TIME STARTING 3 YEARS AFTER THE COMPTROLLER FIRST ISSUES A DIRECT WINE SHIPPER'S PERMIT TO THE PERSON, THE COMPTROLLER:

(I) DETERMINES THAT THE PERSON HAS A SUBSTANTIAL RECORD OF TAX AND REPORTING COMPLIANCE; AND

(II) WAIVES THE SECURITY REQUIREMENT.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) The Comptroller shall study the effects of the implementation of this Act, including:

(1) the numbers of holders of direct wine shipper's permits and common carrier permits issued;

(2) the volume of wine shipped to Maryland consumers;

(3) the revenues and costs to the State associated with direct wine shipment; and

(4) the availability of certain imported varieties of wine to Maryland consumers.

(b) On or before December 31, 2012, the Comptroller shall submit a report on its findings under this section, in accordance with § 2-1246 of the State Government Article, to the Senate Education, Health, and Environmental Affairs Committee and the House Economic Matters Committee.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act which can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2011.

Approved by the Governor, May 10, 2011.