

SENATE BILL 456

A1
SB 815/23 – FIN

4lr1739
CF HB 808

By: **Senator A. Washington**

Introduced and read first time: January 22, 2024

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 19, 2024

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages – Retail Delivery – Local Delivery Service Permit**

3 FOR the purpose of establishing a local delivery service permit that authorizes the holder
4 to deliver alcoholic beverages from a certain retail license holder that is authorized
5 to deliver alcoholic beverages to purchasers in a certain jurisdiction under certain
6 circumstances; authorizing certain retail license holders to deliver alcoholic
7 beverages to purchasers in a certain jurisdiction through a third-party contractor,
8 an independent contractor, or an agent that holds a certain delivery service permit
9 under certain circumstances; altering certain standards and requirements for the
10 retail delivery of alcoholic beverages; and generally relating to retail delivery of
11 alcoholic beverages.

12 BY repealing and reenacting, with amendments,
13 Article – Alcoholic Beverages and Cannabis
14 Section 4–507
15 Annotated Code of Maryland
16 (2016 Volume and 2023 Supplement)

17 BY adding to
18 Article – Alcoholic Beverages and Cannabis
19 Section 4–1107
20 Annotated Code of Maryland
21 (2016 Volume and 2023 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Alcoholic Beverages and Cannabis**

4 4–507.

5 (a) This section does not apply to:

6 (1) the delivery of wine from a direct wine shipper to a consumer using a
7 common carrier in accordance with Title 2, Subtitle 1, Part V of this article; or

8 (2) the holder of a common carrier permit in the course of delivering
9 directly shipped wine in accordance with Title 2, Subtitle 1, Part V of this article.

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

11 (1) a retail license holder obtains a letter of authorization from the local
12 licensing board to make deliveries; and

13 (2) the delivery is made from the licensed premises by [the retail license
14 holder or an employee of the retail license holder]:

15 (I) **THE RETAIL LICENSE HOLDER;**

16 (II) **AN EMPLOYEE OF THE RETAIL LICENSE HOLDER; OR**

17 (III) **A THIRD-PARTY CONTRACTOR, AN INDEPENDENT**
18 **CONTRACTOR, OR AN AGENT THAT:**

19 **1. HOLDS A LOCAL DELIVERY SERVICE PERMIT ISSUED**
20 **UNDER § 4–1108 OF THIS TITLE; AND**

21 **2. HAS CONTRACTED WITH THE RETAIL LICENSE**
22 **HOLDER TO MAKE DELIVERIES OF ALCOHOLIC BEVERAGES.**

23 **4–1107.**

24 (A) **THIS SECTION APPLIES ONLY IN A JURISDICTION WHERE THE LOCAL**
25 **LICENSING BOARD HAS ADOPTED REGULATIONS TO AUTHORIZE THE DELIVERY OF**
26 **ALCOHOLIC BEVERAGES BY A THIRD-PARTY CONTRACTOR, AN INDEPENDENT**
27 **CONTRACTOR, OR AN AGENT.**

28 (B) **A LOCAL LICENSING BOARD MAY ISSUE A LOCAL DELIVERY SERVICE**
29 **PERMIT.**

1 **(C) THE PERMIT AUTHORIZES THE HOLDER TO DELIVER ALCOHOLIC**
2 **BEVERAGES FROM A RETAIL LICENSE HOLDER AUTHORIZED TO DELIVER**
3 **ALCOHOLIC BEVERAGES UNDER § 4-507 OF THIS TITLE TO AN INDIVIDUAL IN THE**
4 **JURISDICTION WHERE THE RETAIL LICENSE HOLDER IS LOCATED.**

5 **(D) A LOCAL LICENSING BOARD MAY SET BY REGULATION:**

6 **(1) THE APPLICATION REQUIREMENTS FOR THE LOCAL DELIVERY**
7 **SERVICE PERMIT; AND**

8 **(2) ADDITIONAL REQUIREMENTS FOR HOLDERS OF THE LOCAL**
9 **DELIVERY SERVICE PERMIT WHO DELIVER ALCOHOLIC BEVERAGES ON BEHALF OF**
10 **A RETAIL LICENSE HOLDER.**

11 **(E) (1) THE LOCAL LICENSING BOARD MAY CHARGE A FEE FOR THE**
12 **LOCAL DELIVERY SERVICE PERMIT.**

13 **(2) THE ANNUAL FEE FOR THE LOCAL DELIVERY SERVICE PERMIT IS**
14 **\$1,000.**

15 **(F) A LOCAL DELIVERY SERVICE PERMIT HOLDER MAY:**

16 **(1) USE THE DELIVERY SERVICE'S EMPLOYEES OR INDEPENDENT**
17 **CONTRACTORS WHO ARE AT LEAST 21 YEARS OLD TO DELIVER ALCOHOLIC**
18 **BEVERAGES; AND**

19 **(2) FACILITATE ORDERS FOR THE SALE AND DELIVERY OF**
20 **ALCOHOLIC BEVERAGES BY TELEPHONE, INTERNET, OR OTHER ELECTRONIC**
21 **MEANS.**

22 **(G) THE PURCHASER OR RECEIVER OF ALCOHOLIC BEVERAGES UNDER THIS**
23 **SECTION SHALL:**

24 **(1) BE AT LEAST 21 YEARS OLD; AND**

25 **(2) PROVIDE VALID IDENTIFICATION AS PROOF OF AGE ON RECEIPT**
26 **OF THE ALCOHOLIC BEVERAGES.**

27 **(H) ALCOHOLIC BEVERAGES SOLD FOR OFF-PREMISES DELIVERY UNDER**
28 **THIS SECTION SHALL BE:**

29 **(1) PROVIDED IN THE MANUFACTURER'S ORIGINAL SEALED**
30 **CONTAINER; AND**

1 **(2) SOLD ONLY DURING THE HOURS THE RETAIL LICENSE HOLDER IS**
2 **OPEN FOR IN-STORE PURCHASES.**

3 **(I) AN INDIVIDUAL DELIVERING ALCOHOLIC BEVERAGES UNDER A LOCAL**
4 **DELIVERY SERVICE PERMIT SHALL:**

5 **(1) BE AT LEAST 21 YEARS OLD; AND**

6 **(2) HAVE SUCCESSFULLY COMPLETED AN APPROVED ALCOHOL**
7 **AWARENESS PROGRAM UNDER § 4-505 OF THIS TITLE.**

8 **(J) A LOCAL DELIVERY SERVICE PERMIT HOLDER MAY NOT DELIVER**
9 **ALCOHOLIC BEVERAGES TO:**

10 **(1) AN INDIVIDUAL WHO DOES NOT PROVIDE VALID IDENTIFICATION**
11 **PROVING THAT THE INDIVIDUAL IS AT LEAST 21 YEARS OLD;**

12 **(2) ANOTHER PREMISES LICENSED TO SELL ALCOHOLIC BEVERAGES;**
13 **OR**

14 **(3) AN INDIVIDUAL LOCATED OUTSIDE THE JURISDICTION WHERE**
15 **THE RETAIL LICENSE HOLDER IS LOCATED.**

16 **(K) A LOCAL DELIVERY SERVICE PERMIT HOLDER IS SUBJECT TO THE**
17 **FOLLOWING PENALTIES FOR VIOLATING THIS SECTION:**

18 **(1) FOR A FIRST VIOLATION, A FINE OF \$1,000;**

19 **(2) FOR A SECOND VIOLATION, A FINE OF \$3,000 AND A SUSPENSION**
20 **OF THE LOCAL DELIVERY SERVICE PERMIT FOR 30 DAYS;**

21 **(3) FOR A THIRD VIOLATION, A FINE OF \$6,000 AND A SUSPENSION OF**
22 **THE LOCAL DELIVERY SERVICE PERMIT FOR 60 DAYS; AND**

23 **(4) FOR ANY SUBSEQUENT VIOLATION, REVOCATION OF THE LOCAL**
24 **DELIVERY SERVICE PERMIT.**

25 **(L) THE HOLDER OF A LOCAL DELIVERY SERVICE PERMIT MAY NOT:**

26 **(1) SELL ALCOHOLIC BEVERAGES; OR**

27 **(2) STORE ALCOHOLIC BEVERAGES FOR DELIVERY.**

1 **(M) (1) A PERSON SHALL APPLY TO THE LOCAL LICENSING BOARD FOR A**
2 **LOCAL DELIVERY SERVICE PERMIT BEFORE CONTRACTING TO DELIVER ALCOHOLIC**
3 **BEVERAGES FOR A RETAIL LICENSE HOLDER.**

4 **(2) IF A RETAIL LICENSE HOLDER CONTRACTS WITH A LOCAL**
5 **DELIVERY SERVICE PERMIT HOLDER TO DELIVER ALCOHOLIC BEVERAGES, THE**
6 **RETAIL LICENSE HOLDER AND THE LOCAL DELIVERY SERVICE PERMIT HOLDER**
7 **SHALL ESTABLISH A METHOD TO ENSURE THAT THE RETAIL LICENSE HOLDER**
8 **RETAINS CONTROL OVER SALES TO AND PAYMENTS MADE FROM A PURCHASER FOR**
9 **THE ALCOHOLIC BEVERAGES.**

10 **(N) THE EXECUTIVE DIRECTOR MAY ADOPT REGULATIONS TO ENFORCE**
11 **THIS SECTION.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.