



WORCESTER COUNTY

BOARD OF LICENSE COMMISSIONERS

ALCOHOLIC BEVERAGE LICENSE

RULES AND REGULATIONS

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INTRODUCTION

This Handbook is provided to assist you with understanding the basic application process for an alcoholic beverage license in Worcester County and the laws and rules you will be required to adhere to if you obtain a license. The Alcoholic Beverage Article of the Annotated Code of Maryland should also be reviewed in order to obtain a complete understanding of the alcoholic beverage laws.

If making application as individual, individuals, or as a partnership, each of you must have resided in Worcester County for the past two (2) years.

If making application on behalf of a corporation or limited liability company, one applicant must serve as the Resident Agent. That individual must reside in Worcester County. The Resident Agent must hold at least 10% of the outstanding stock unless applying for a Class “B” Beer, Wine and Liquor license, in which case the Resident Agent must hold some percentage of the outstanding stock. **Supporting signatures on the application must be collected by the Resident Agent and only by the Resident Agent.**

When making application on behalf of a corporation or limited liability company, it will be necessary for you to complete and submit with the application a “Stock Ownership Affidavit” or a “Limited Liability Company Member Affidavit”. Additionally, you must submit with the application a copy of your Articles of Incorporation and a copy of the stock certificates representing all issued and outstanding stock or Articles of Organization and Operating Agreement and a copy of your lease (if applicable) for the subject property.

If making application for the transfer of an existing license, you must also complete a transfer application. Further, you must make application to the State Comptroller’s Office for the transfer of the alcoholic beverage inventory remaining on the property. A certification of compliance with the Bulk Sales Act by affidavit must also be filed. All sales or excise taxes must be paid current or an agreement must be accepted by the Maryland Comptroller’s office permitting the transfer of the license.

Your application will be advertised by the Board in local newspapers. Filing deadlines are established to allow for proper advertising. The Board ordinarily conducts hearings on these applications during the third week of each month. It is sometimes necessary to deviate from that schedule; you may confirm hearing dates with the Board’s administrative staff.

In the event your application is approved, your license cannot be issued until the Board has received all documents and certifications required under these rules and regulations and the Alcoholic Beverage Article of the Annotated Code of Maryland, together with all fees.

All licenses expire each year on the last day of April. You should receive a renewal application in the mail at the address you have provided to the Board on or before February 1st. If you have not received a renewal application, it is your responsibility to contact the Board and ask for a renewal application. State law mandates that you file your renewal application no later than April 1st of each year.

Failure to file on time will result in the loss of your license and will require you to apply for a new license. You should not wait until the last minute to file your application for renewal. Appointments for the various required inspections must be made well in advance. Also, the personnel reviewing the applications for errors must process hundreds of applications in less than sixty (60) days. If an error is found on your application, you may not have time to submit a correction before your license expires.

Frequently licenses are issued with restrictions. How do you get a restriction changed? Many times, exceptions can be granted by calling the Board's Administrator in advance of the special occasion. For a permanent change in a restriction you must meet with the Board. This can be accomplished by a letter to the Board's Administrator requesting a meeting to modify the restrictions. Your letter should detail what changes you want to make together with a site plan if the premises is going to be altered.

Upon receipt of any type of application (except renewals or special permits) or request to appear before the Board for changes in license restrictions or alteration of licensed premises, the Board's administrator will request an investigation. An investigator will contact you for an interview and an inspection of the premises. Applicants and licensees should be aware that employees of the Board are not attorneys and can not give legal advice.

In the event a licensee is charged with a violation of the Board's Rules or the Alcoholic Beverage Article of the Annotated Code of Maryland, a public hearing will be held as set forth in the hearing process. If a licensee is found to be guilty of the charges, the Board can impose a fine, suspension or revocation of the license. Accordingly, you are strongly urged to become familiar with these Rules and the Alcoholic Beverage Article of the Annotated Code of Maryland.

DEFINITIONS

For the purposes of these Rules and unless otherwise required by the context:

- A. “Alcoholic Beverages” - alcohol, brandy, whiskey, rum, gin, cordial, beer, ale, porter, stout wine, cider, and any other spirituous, vinous, malt or fermented liquor, liquid, or compound, by whatever name called, containing one-half of one per centum or more of alcohol by volume, which is fit for beverage purposes.
- B. “Beer” - any brewed alcoholic beverage and includes beer, ale, porter and stout.
- C. “Club” - an association or corporation which is organized and operated exclusively for educational, social, fraternal, patriotic, political or athletic purposes and not for profit.
- D. “Comptroller” - the Comptroller of the Treasury of the State of Maryland.
- E. “Hotel” - Six (6) day license holder: an establishment with at least twenty (20) rooms, serving meals regularly.
 - Seven (7) day license holder: an establishment with at least twenty (20) rooms, serving meals regularly, with accommodation of the public providing services found ordinarily in hotels, having a lobby with registration and mail desk and seating facilities, an enclosed dining area serving full course meals from menus at least twice daily, and having daily receipts from the sale of food in excess of that from the sale of alcoholic beverages during the effective period of the license.
- F. “License Holder” or “Licensee”- the holder of any license or permit under the provisions of The Alcoholic Beverage Article or of any other law of the State.
- G. “Licensed Premises” - includes the building and land used in connection with the operation of the business conducted under the license, as defined in the original application or as amended and approved by the Board.
- H. “Light Wine” - any naturally fermented wine containing not in excess of twenty-two percent (22%) of alcohol by volume.
- I. “Manufacturer” - a person operating a plant within this State for distilling, rectifying, blending, brewing, fermenting or bottling any alcoholic beverage.
- J. “Person” - a natural person, an association, a partnership or corporation.
- K. “Restaurant” – (Beer, Wine and Liquor) Six (6) day license holder: an establishment with seating capacity at tables of at least seventy (70) people, serving full course meals from menus and having daily receipts from the sale of food greater than (33%) of the total daily receipts.

- Seven (7) day license holder: an establishment with seating capacity at tables of at least seventy (70) people in an enclosed dining area, serving full course meals from menus at least twice daily and having daily receipts from the sale of food in excess of that from the sale of alcoholic beverages during the effective period of the license.

- L. “Retail Dealer” - a person who deals in or sells any alcoholic beverage to any person other than a license holder and includes a county dispensary.
- M. “Sparkling Wine” - champagne or any artificial carbonated wine.
- N. “Taxpayer” - an individual who owns real estate in Worcester County in their own name, either individually or jointly with others, and actually pays real estate taxes in Worcester County.
- O. “Wholesaler” - a person who purchases or imports any alcoholic beverage for sale to wholesale or retail dealers only and includes a county liquor control board and county wholesale dispensary.
- P. “Wine” - any fermented beverage, including light wines and wines, the alcoholic content of which has been fortified by the addition of alcohol, spirits, or other ingredients.
- Q. “Financial Interest” - means a legal or equitable interest in the licensed business entitling the owner thereof to receive a percentage of the profits derived from the sale of alcoholic beverages of the business. It does not include payments made to any employee, manager, mortgagor, landlord or bona fide creditor, provided that such individual does not otherwise own an interest in the licensed business. The ownership of stock in a publicly traded corporation is not considered a financial interest for the purpose of these rules and regulations provided that the owner of such stock does not have any substantial degree of control or management of the corporation.

DESCRIPTION OF CLASS OF LICENSES

Class A, Beer

(Off-Sale) beer license shall authorize the holder thereof to keep for sale and to sell beer at retail, in any quantity to any legal consumer, at the place therein described, and to deliver the same in a sealed package or container which package or container shall not be opened nor its contents consumed on the premises where sold. There shall be no opened containers of alcoholic beverages at anytime, anywhere, in a Class A beer licensed establishment.

Class A, Beer and Wine

(Off-Sale) beer and wine license shall authorize the holder thereof to keep for sale and to sell beer and wine at retail, in any quantity to any legal consumer, at the place therein described, and to deliver the same in a sealed package or container which package or container shall not be opened nor its contents consumed on the premises where sold. There shall be no opened containers of alcoholic beverages at anytime, anywhere, in a Class A licensed establishment, **except** for wine tasting events which may be held on the premises in conjunction with a Class 4 limited winery which brings wine and pomace brandy manufactured onto a premise under the following conditions:

- (i) The product is being provided for a bona fide promotional activity conducted by the limited winery, retail licensee, alcoholic beverages trade association, or nonprofit organization;
- (ii) A representative of the limited winery, or a trade association representing Maryland wineries, is present at all times during the period of the promotional activity;
- (iii) Any unopened or partially consumed containers of wine and pomace brandy are removed from the premises at the conclusion of the promotional activity;
- (iv) The limited winery or winery trade association complies with any rules or regulations promulgated by the Comptroller pertaining to on-premise promotions and product sampling;
- (v) The limited winery or winery trade association has the advance written permission of the retail licensee to bring wine products on the premises for purposes of the promotional activity.

Class B, Beer

On Sale and/or Off Sale of Beer (Hotels and Restaurants) subject to Board approval of off sale privileges.

Class B, Beer and Wine

On Sale and/or Off Sale of Beer and Wine (Hotel and Restaurants) subject to Board approval of off sale privileges.

Class B, Beer, Wine and Liquor

On Sale and/or Off Sale of Beer, Wine and Liquor (Hotel and Restaurants) subject to Board approval of off sale privileges.

Class C, Beer or Beer and Wine

Golf, Tennis, Swim Clubs, Veterans Organizations and Fishing Clubs - Club licenses are strictly limited to the on-premises service to bona fide members and their guests. The club must verify the membership of each entrant. All card-carrying and dues paying members may sign in personal guests,

in accordance with specifications of the individual club. As the host, the member and their guests shall be signed in the guest book. For each visit, a guest may be in or on the premises only as long as they are accompanied by the sponsoring Member.

Class C, Beer, Wine and Liquor

Golf, Tennis, Swim Clubs, Veterans Organizations and Fishing Clubs - Club licenses are strictly limited to the on-premises service to bona fide members and their guests. The club must verify the membership of each entrant. All card-carrying and dues paying members may sign in personal guests, in accordance with specifications of the individual club. As the host, the member and their guests shall be signed in the guest book. For each visit, a guest may be in or on the premises only as long as they are accompanied by the sponsoring Member.

Class C, Golf Course Beer, Wine and Liquor

Golf Course (On-Sale Only) beer, wine and liquor license may be issued to a public golf course or organization that has a regular or championship golf course with a minimum of eighteen (18) holes. This shall be for consumption only in the buildings, including the clubhouse, and adjoining land used for golfing purposes. A patron need not be seated to be served or consume alcoholic beverages. No alcohol may be taken off the licensed premises.

Class D, Beer, Beer and Wine

Tavern (On and/or Off-Sale) beer or beer and wine license shall authorize the holder thereof to keep for sale and sell beer or beer and wine at retail at the place therein described, for consumption on the premises or elsewhere subject to the Board's approval of off sale privileges.

Class H, Beer, Wine and Liquor

On Sale of Beer, Wine and Liquor (Hotel and Restaurants).

Class I, Beer, Wine and Liquor

Tavern beer, wine and liquor license shall authorize the holder thereof to keep for sale and sell all alcoholic beverages at retail at the place therein described for consumption on the premises.

Entertainment Facility

There is a class EF (Entertainment Facility) Beer, Wine and Liquor License. A class EF License authorizes the sale and serving of Beer, Wine and Liquor anywhere throughout the Entertainment Facility during those days that the Entertainment Facility is open for business.

Special Sunday

- A) The Board of License Commissioners may issue a special license to the holder of a 6-day Class B or Class C beer, wine and liquor license located in the county. The special license permits the licensee to sell alcoholic beverages to bona fide conventions and such other special groups that are approved by the:
1. Mayor and City Council of the incorporated town (if any) in which the premises are located, if the Mayor and City Council elect to exercise this power; and
 2. Board of License Commissioners.
 - (a) The license permits consumption on the premises only on Sunday during the hours of 12:30 p.m. and 1:00 a.m. the following Monday, prevailing time.

- (b) The holder of the license may exercise the privileges of the license at the time and place described in the license upon the payment of a fee.
 - (c) The daily license fee is \$100.
 - (d) Application for the permit shall be made not less than ten (10) days prior to the day upon which the permit is to be exercised.
- B) There is a special Sunday club license.
- (i) The license may be issued to bona fide clubs which already hold a Class C beer, wine and liquor license.
 - (ii) The additional fee is \$100.
 - (iii) A club may be issued no more than twenty (20) special Sunday licenses during a calendar year.
 - (iv) Application for the license shall be made at least fourteen (14) days in advance to the Board of License Commissioners. The license is subject to the approval of application by the Board and subject also to other conditions, regulations and restrictions as established by the Board for the consumption of those alcoholic beverages on the premises.

One Day Permit

There is a nonprofit charitable organization license.

- (i) The license is a multiple one-day alcoholic beverages license to any bona fide nonprofit charitable organization.
- (ii) The applicant shall specify the dates of the events for which the license will be used.
- (iii) A multiple one-day alcoholic beverages license may not include more than twelve (12) dates.
- (iv) Application for the license shall be made at least sixty (60) days in advance to the Board of License Commissioners so that the Board may advertise the hearing, if a hearing is required by the Board. The license is subject to the approval of application by the Board and subject also to other conditions, regulations and restrictions as established by the Board for the consumption of those alcoholic beverages on the premises.

Festivals

Definition: "Festival" means:

- (A) The Worcester County Beer and Wine Festival (WBWF); or
- (B) A similar festival featuring beer and wine that the Board approves.
- (C) The Board may issue not more than three special festival licenses each year.
- (D) Qualifications - Notwithstanding any other provision of this article, an applicant for a special festival license shall be a holder of an existing State retail alcoholic beverages license, State Class three (3) winery license, or State Class four (4) limited winery license issued under this article.
- (E) Scope of license. - A special festival licensee shall:
 - (1) Only display and sell:
 - (i) Wine that is:
 1. Manufactured and processed in any state;
 2. Price filed in accordance with regulations adopted by the Comptroller; and
 3. Distributed in the State at the time the application is filed; and
 - (ii) Beer that is brewed by a brewer:

1. Who brews less than 60,000 barrels of beer annually; and
 2. Whose product is distributed in the State at the time the application is filed;
 - (2) Display and sell beer and wine at retail for consumption on or off the licensed premises on the days and for the hours designated for the Festival; and
 - (3) Display and sell wine that is manufactured and processed in any state at retail for consumption off the licensed premises on the days and for the hours designated for the Festival.
- (F) Fees; time, location and focus of Festival. - The Board:
- (1) May establish the license fee;
 - (2) May select one weekend, Friday through Sunday inclusive, annually for each festival provided that the weekend that is selected does not occur on the same weekend as the Maryland Wine Festival;
 - (3) Shall choose a location in the county for each Festival which is not licensed under this article; and
 - (4) Shall assure that the primary focus of the Festival is the promotion of Maryland beer and wine.
- (G) Scope of license; restrictions on products sold and displayed. -
- (1) Products displayed and sold shall be:
 - (i) Invoiced to the festival license holder by a licensed State wholesaler, winery, or limited winery; and
 - (ii) Delivered to each Festival from the licensed premises of the wholesaler, winery, or limited winery.
 - (2) Whenever a festival license is issued pursuant to this subsection, holders of wholesale, winery, or limited winery licenses may enter into an agreement with the holder of a festival license to deliver beer and wine two (2) days prior to the effective date, and to accept returns two (2) days after the expiration date of the festival license.
- (H) Application for the license shall be made at least sixty (60) days in advance to the Board of License Commissioners so that the Board may advertise the hearing, if a hearing is required by the Board. The license is subject to the approval of application by the Board and subject also to other conditions, regulations and restrictions as established by the Board for the consumption of those alcoholic beverages on the premises.

Caterer's License

The holder shall comply with all rules and regulations applicable to the issuance of the principal Class "B" or "D" license. The holder shall prepare, deliver and provide food as well as alcoholic beverages for consumption at the catered event. The holder shall provide all the service employees to serve the alcoholic beverages at the catered event. The holder shall ensure that at least one (1) employee is certified by an alcohol awareness program and on the premises at all times during the catered event. The holder may exercise the privileges under this license only during the hours and days that are allowed for the principal Class "B" or "D" license.

HOURS OF SALE

(A) General provisions- In Worcester County, notwithstanding any other provisions of the Alcoholic Beverage Article, no holder of any retail alcoholic beverage license shall be permitted to sell, barter, deliver or give away, or otherwise dispose of any alcoholic beverages, or permit any alcoholic beverages to be consumed on the licensed premises, except as hereinafter provided.

(B) Hours and days of sale –

§ 33-2003. Beer licenses.

(a) Class A beer license. - A holder of a Class A beer license may sell beer under:

- (1) a 6-day license, on Monday through Saturday, from 6 a.m. to 2 a.m. the following day; or
- (2) a 7-day license, on Monday through Sunday, from 6 a.m. to 2 a.m. the following day.

(b) Class B beer license. -

(1) A holder of a 6-day Class B beer license may sell beer on Monday through Saturday:

- (i) for off-premises consumption, from 6 a.m. to 2 a.m. the following day; and
- (ii) for on-premises consumption, from 9 a.m. to 2 a.m. the following day.

(2) Except as provided in paragraph (3) of this subsection, a holder of a 7-day Class B beer license may sell beer:

(i) for off-premises consumption, on Monday through Sunday, from 6 a.m. to 2 a.m. the following day; and

(ii) for on-premises consumption:

1. on Monday through Saturday, from 9 a.m. to 2 a.m. the following day; and
2. on Sunday, from 12:30 p.m. to 2 a.m. the following day.

(3) A holder of a 7-day Class B beer license in the tenth election district in the county may sell beer on Monday through Sunday:

- (i) for off-premises consumption, from 6 a.m. to 2 a.m. the following day; and
- (ii) for on-premises consumption, from 9 a.m. to 2 a.m. the following day.

(c) Class C beer license. - A holder of a Class C beer license may sell beer on Monday through Saturday, from 9 a.m. to 2 a.m. the following day.

(d) Class D beer license. -

(1) A holder of a 6-day Class D beer license may sell beer on Monday through Saturday:

- (i) for off-premises consumption, from 6 a.m. to 2 a.m. the following day; and
- (ii) for on-premises consumption, from 9 a.m. to 2 a.m. the following day.

(2) Except as provided in paragraph (3) of this subsection, a holder of a 7-day Class D beer license may sell beer:

(i) for off-premises consumption, on Monday through Sunday, from 6 a.m. to 2 a.m. the following day; and

(ii) for on-premises consumption:

1. on Monday through Saturday, from 9 a.m. to 2 a.m. the following day; and
2. on Sunday, from 12:30 p.m. to 2 a.m. the following day.

(3) A holder of a 7-day Class D beer license in the tenth election district in the county may sell beer on Monday through Sunday:

- (i) for off-premises consumption, from 6 a.m. to 2 a.m. the following day; and
- (ii) for on-premises consumption, from 9 a.m. to 2 a.m. the following day.

§ 33-2004. Beer and wine licenses.

- (a) Class A beer and wine license. - A holder of a Class A beer and wine license may sell beer and wine under:
 - (1) a 6-day license, on Monday through Saturday, from 6 a.m. to 2 a.m. the following day; or
 - (2) a 7-day license, on Monday through Sunday, from 6 a.m. to 2 a.m. the following day.
- (b) Class B beer and wine license. -
 - (1) A holder of a 6-day Class B beer and wine license may sell beer and wine on Monday through Saturday:
 - (i) for off-premises consumption, from 6 a.m. to 2 a.m. the following day; and
 - (ii) for on-premises consumption, from 9 a.m. to 2 a.m. the following day.
 - (2) A holder of a 7-day Class B beer and wine license may sell beer and wine on Monday through Sunday:
 - (i) for off-premises consumption, from 6 a.m. to 2 a.m. the following day; and
 - (ii) for on-premises consumption, from 9 a.m. to 2 a.m. the following day.
- (c) Class C beer and wine license. - A holder of a Class C beer and wine license may sell beer and wine on Monday through Saturday, from 9 a.m. to 2 a.m. the following day.
- (d) Class D beer and wine license. -
 - (1) A holder of a 6-day Class D beer and wine license may sell beer and wine on Monday through Saturday:
 - (i) for off-premises consumption, from 6 a.m. to 2 a.m. the following day; and
 - (ii) for on-premises consumption, from 9 a.m. to 2 a.m. the following day.
 - (2) A holder of a 7-day Class D beer and wine license may sell beer and wine on Monday through Sunday:
 - (i) for off-premises consumption, from 6 a.m. to 2 a.m. the following day; and
 - (ii) for on-premises consumption, from 9 a.m. to 2 a.m. the following day.

§ 33-2005. Beer, wine, and liquor licenses.

- (a) Class A beer, wine, and liquor license. - A holder of a Class A beer, wine, and liquor license may sell beer, wine, and liquor on Monday through Sunday, from 6 a.m. to 2 a.m. the following day.
- (b) Class B and Class H (On Sale Only) beer, wine, and liquor license. -
 - (1). Except as provided in paragraph (3) of this subsection, a holder of a 6-day Class B or H (On Sale only) beer, wine, and liquor license may sell:
 - (i) for off-premises consumption on Monday through Saturday:
 - 1. beer and wine, from 6 a.m. to 2 a.m. the following day; and
 - 2. liquor, from 9 a.m. to 2 a.m. the following day; and
 - (ii) for on-premises consumption on Monday through Saturday, beer, wine, and liquor, from 9 a.m. to 2 a.m. the following day.
 - (2) Except as provided in paragraph (3) of this subsection, a holder of a 7-day Class B or H (On Sale only) beer, wine, and liquor license may sell:
 - (i) for off-premises consumption on Monday through Sunday:
 - 1. beer and wine, from 6 a.m. to 2 a.m. the following day; and
 - 2. liquor, from 9 a.m. to 2 a.m. the following day; and
 - (ii) for on-premises consumption on Monday through Sunday, beer, wine, and liquor, from

9 a.m. to 2 a.m. the following day.

(3) A holder of a Class B or H beer, wine, and liquor license may sell beer, wine, and liquor during the hours that are set out under paragraphs (1) or (2) of this subsection, unless the Ocean City Convention Hall Commission specifies a shorter time.

(c) Class C beer, wine, and liquor license. - A holder of a Class C beer, wine, and liquor license may sell beer, wine, and liquor under:

(1) a 6-day license, on Monday through Saturday, from 9 a.m. to 2 a.m. the following day; or

(2) a 7-day license, on Monday through Sunday, from 9 a.m. to 2 a.m. the following day.

(d) Class D beer, wine, and liquor license. -

(1) A holder of a 6-day Class D beer, wine, and liquor license may sell:

(i) for off-premises consumption:

1. beer and wine, on Monday through Saturday, from 6 a.m. to 2 a.m. the following day; and

2. liquor, on Monday through Saturday, from 9 a.m. to 2 a.m. the following day; and

(ii) for on-premises consumption, beer, wine, and liquor, on Monday through Saturday, from 9 a.m. to 2 a.m. the following day.

(2) A holder of a 7-day Class D beer, wine, and liquor license may sell:

(i) for off-premises consumption:

1. beer and wine, from 6 a.m. to 2 a.m. the following day; and

2. liquor, from 9 a.m. to 2 a.m. the following day; and

(ii) for on-premises consumption, beer, wine, and liquor from 9 a.m. to 2 a.m. the following day.

(e) Class I beer, wine, and liquor license. - A holder of a Class I beer, wine, and liquor license may sell beer, wine, and liquor, for on-premises consumption, under:

(1) a 6-day license, on Monday through Saturday, from 9 a.m. to 2 a.m. the following day; or

(2) a 7-day license, on Monday through Sunday, from 9 a.m. to 2 a.m. the following day.

§ 33-2006. Hours on January 1st.

The Board shall determine the hour when a license holder shall stop selling alcoholic beverages on January 1st, regardless of the day of the week on which January 1st falls.

§ 33-2008. Limit on consumption.

If sales of alcoholic beverages in a licensed premise may continue until 2:00 a.m., alcoholic beverages may not be consumed later than 2:30 a.m., when the licensed premises shall be vacated by all customers.

THE HEARING PROCESS

1. MEETING AND HEARINGS

The Board of License Commissioners shall hold such meetings, hearings, and sessions as may be scheduled from time to time by the Administrator at the direction of the Chairperson. Except for disciplinary hearings, the Board shall deliberate in open session and announce its decision thereon. Such decision may be deferred to a later date, but any and all discussion or deliberation with regard to the issue before the Board shall occur in public session. In the event a decision is deferred, the Chairperson shall announce a specific date and time at which the decision shall be made. All evidence, petitions, testimony and other matters shall be presented to the Board of License Commissioners in a hearing open to the public. The attendance of two (2) Board Members shall constitute a quorum.

2. WHEN HEARINGS ARE REQUIRED

Advertised public hearings are required concerning:

- 1) all applications for all new licenses, except temporary or special licenses as defined in the Alcoholic Beverage Article of the Annotated Code of Maryland unless the Board of License Commissioners determines a temporary license requires a hearing;
- 2) all applications for transfer of licensee(s), and transfer of location; and
- 3) public hearings are required for a protest of the renewal of a license. The Board of License Commissioners may require hearings on other matters concerning the sale of alcoholic beverages at its discretion.

Public hearings shall be held for all major alterations to licensed premises, disciplinary hearings and other matters as determined by the Board.

3. PLACE OF HEARINGS

The place of hearings for the Board of License Commissioners shall be 1st floor Board Room, Government Center, One West Market Street, Snow Hill, Maryland 21863, unless otherwise determined by the Board.

4. TIME OF HEARINGS

Hearings shall be held at such times as the Chairperson shall direct, and as scheduled by the Administrator. The applicant shall be notified in writing concerning the time, date and location of the hearing.

5. RECORD OF HEARINGS

The Board of License Commissioners shall prepare an official record of its proceedings, in each case, which shall include the testimony and exhibits, but it shall not be necessary to transcribe the testimony unless required for court review, or when required by any party of interest appearing at the hearing. The party taking the appeal or ordering the record shall pay the reporter, in advance, the cost of transcribing the record.

6. PUBLIC ATTENDANCE

The general public and representatives of the news media are encouraged to attend all hearings. It shall be the duty of the Chairperson to maintain order during the hearing. Whenever confusion or disorder arises in the hearing room, or demonstrations of approval or disapproval are indulged in by persons in attendance, it shall be the duty of the Chair to enforce order on its own initiative without any point of order being made by a member. Under circumstances of confusion and disorder, the Chair shall have the power, and it shall be the duty of the Chair, to order the hearing room cleared or to recess the hearing and the Chair may, upon its own motion and without a second or putting the matter to vote, order the hearing adjourned to a fixed hour and date.

7. MATTERS OF LAW

All matters of law raised by any party during a hearing shall be ruled on by the Chairperson. His or her ruling shall be final and not appealable to the Board of License Commissioners, but objections thereto shall be entered in the transcript and shall be made a part of the Record of Proceedings.

8. CONDUCT OF HEARING

- A.** At the beginning of the hearing, the Chairperson shall call the docket. In his or her discretion, all preliminary matters may be heard and disposed of first.
- B.** All persons testifying shall be required to take the following oath: “Do you swear and aver under the penalty of perjury that the testimony you are about to give in this matter will be the truth, the whole truth and nothing but the truth?”
- C.** In the event an applicant for a license is deaf or is unable to adequately understand or express himself or herself in spoken or written English, then the applicant shall obtain a Court Interpreter certified pursuant to Maryland Rule 16-819. Persons acting as an interpreter for the applicant or licensee shall be required to make the following affirmation “Do you affirm under penalty of perjury that you will truly interpret to the Board of License Commissioners the questions propounded, the answers given thereto, and any other testimony given in this matter?”
- D.** The Chairperson may amend the scheduled order of hearings.

9. ORDER OF PRESENTATION

- A.** Introduction of reports and official documents
- B.** Applicant’s presentation:
 - 1.** Direct examination of applicant’s witnesses.
 - 2.** Cross-examination of applicant’s witnesses by the Board.

3. Cross-examination of each applicant's witness by the opposition's attorney or a spokesperson. Any person desiring to question the applicant's witness shall first address the Chair and be recognized, request permission of the Chair to ask a question of the witness, and shall not proceed until such permission is granted. Upon initial recognition by the Chair, the person shall give the following information before questioning the witness: His or her name, home address, and its approximate location with reference the subject premises or licensed premises.

Questions shall be brief, shall pertain only to statements made by the witness, and shall be interrogatory in nature and not argumentative.

Questions shall not be preceded by statements nor shall they contain allusions to personality or motives. If the Chairperson shall rule the question out of order or objectionable, it shall be the duty of the person asking it to withdraw the question which is out of order or objectionable. In the discretion of the Chair, questions on cross-examination shall be reduced to writing and asked by the Attorney for the Board of License Commissioners.

- C. Opposition's presentation:
 1. Direct examination of each opposition witness.
 2. Cross examination of each opposition witness by the Board.
 3. Cross examination of each opposition witness by Applicant.
- D. Rebuttal by applicant - the applicant may present evidence to rebut any evidence introduced by the opposition, but no new evidence may be introduced at this time.
- E. Summation by applicant.
- F. Summation by opposition.
- G. Board of License Commissioners' Action - the Board may determine to grant or deny the application at the end of the presentation, or it may take the case under advisement for further deliberation and a later decision. For proper reasons shown, the Board may recess the case to receive additional evidence at a later time, if it deems that it is essential in making the proper decision.
- H. The Chairperson may alter the order of presentation and allow additional testimony and evidence at any time during the hearing.

RULE NO. 1

SALES TO UNDERAGE PERSONS

- A.** A licensee, or any of his/her employees or agents, may not sell, serve or furnish any alcoholic beverages at any time to any person under the age of twenty-one (21).

- B.** The licensee shall take full responsibility to determine, with reasonable certainty, that the person to whom the sale is made is of the age specified for the sale of alcoholic beverages to be purchased or consumed. Any sale made in violation hereof shall be done at the licensee's own risk. In disciplinary proceedings it shall be no defense that an agent or employee of the licensee acted contrary to order or that a licensee did not participate in the violating action or actions.

- C.** Every licensee shall keep on the licensed premises and available for inspection by any agent of the Board, a book containing the signature of any person whose age has been questioned in connection with the purchase of alcoholic beverages who has presented documentary proof to substantiate his/her age for the purpose of purchasing alcoholic beverages. The book shall contain copies of the following form upon which the licensee, his/her agent or employee shall record all information required by each and all sections of the form, and shall be signed by the seller and the purchaser. This form is not furnished by the Board and shall therefore be prepared by the licensee for his/her own use.

Sample:

Identification (Check as Shown) Date: _____

Date of Birth: _____

Driver's License: _____ Air Force I.D. Card: _____

Birth Certification: _____ Army I.D. Card: _____

Service Discharge: _____ Coast Guard I.D. Card: _____

Draft Card: _____ Marine Corp. I.D. Card: _____

Other (Specify): _____ Navy I.D. Card: _____

Description of Purchaser

Height Weight Color of Eyes

Color of Hair Outstanding Features

Seller's Signature

To be completed by purchaser: I declare I am of legal age to purchase fermented malt beverages or intoxicating liquor, and that I am subject to arrest and prosecution for misrepresenting my age.

Print Full Name Signature

Street Address City State Zip

RULE NO. 2

PRESENCE OF MINORS ON LICENSED PREMISES:

Under the provisions of Section 33-2703 of the Alcoholic Beverage Article, it shall be unlawful for any person under the age of twenty-one (21) years to loiter about the licensed premises. Restaurants may, however, serve meals without alcoholic beverages to any person. See also Rule No. 34 for further restrictions.

RULE NO. 3

EMPLOYEE, AGE OF

Under provisions of Section 33-1902 of the Alcoholic Beverage Article, it shall be unlawful in Worcester County for any licensee to employ any person under the age of eighteen (18) years in the sale of alcoholic beverages, unless a permit is obtained from the Sheriff and State's Attorney for Worcester County.

RULE NO. 4

CONSUMPTION ON "OFF SALE" PREMISES

No holder of a Class A "off sale" license, his/her agent or employee shall permit any person to consume or open any alcoholic beverage on the licensed premises nor any other portion of the property of the establishment **except** for wine tasting events which may be held on the premises in conjunction with a Class 4 limited winery which brings wine and pomace brandy manufactured onto a premise under the following conditions:

- (i) The product is being provided for a bona fide promotional activity conducted by the limited winery, retail licensee, alcoholic beverages trade association, or nonprofit organization;
- (ii) A representative of the limited winery, or a trade association representing Maryland wineries, is present at all times during the period of the promotional activity;
- (iii) Any unopened or partially consumed containers of wine and pomace brandy are removed from the premises at the conclusion of the promotional activity;
- (iv) The limited winery or winery trade association complies with any rules or regulations promulgated by the Comptroller pertaining to on-premise promotions and product sampling; and
- (v) The limited winery or winery trade association has the advance written permission of the retail licensee to bring wine products on the premises for purposes of the promotional activity.

RULE NO. 5

PURCHASES BY RETAILER

No license holder shall purchase any alcoholic beverage except from a duly licensed manufacturer or wholesaler and no retail license holder shall sell to another license holder any

alcoholic beverages. No license holder shall at any time keep or permit to be kept upon the licensed premises any alcoholic beverage unless purchased in accordance with this Rule or unless the license holder has a permit issued for "Bring your Own Wine" pursuant to the Alcoholic Beverage Article Section 4-1102.

RULE NO. 6

FREE MERCHANDISE OR PRIZES

No licensee, his/her agents or employees shall offer free food, merchandise or coupons to encourage the sale of alcoholic beverages, except calendars and favors for amusement may be given away. No alcoholic beverages may be sold or given away as prizes in connection with the playing of any claw, pin ball, slot machine or other similar devices such as punch cards, drawings, or the winner of any games nor to participants in any contest, whether amateur or professional. All persons holding "On Sale" licenses may offer free of charge pretzels, potato chips, peanuts, cheese, crackers or hors d'oeuvres in connection with the consumption of alcoholic beverages on the premises.

No licensee of a licensed establishment which offers any type of lottery shall provide any type of discount alcoholic beverages to its customers as a means of stimulating sales or redemption of lottery tickets.

No licensee or agent of licensee shall advertise the sale of alcoholic beverages at a discount as a means of stimulating sales or redemption of lottery tickets.

RULE NO. 7

PROHIBITED PRACTICES

- A.** No licensee shall allow his premises to be used for the purpose of bookmaking or gambling, except the State of Maryland Lottery, in any form, or as a disorderly house, or for the purpose of perverted practices, nor shall the licensee, his/her employees, patrons or frequenters of the establishment solicit any person or persons for immoral purposes.
- B.** No licensee shall permit his premises to be used for the sale, transfer or possession of narcotics or dangerous substances, as defined in the Annotated Code of Maryland.
- C.** No licensee, his/her agents or employees shall use or permit to be used or dispensed on the licensed premises any drugs or violent emetics or purges.
- D.** No applicant or licensee shall make any materially false statement in any original application for an alcoholic beverage license, renewal application, letter or written statement, in testimony before the Board or any other representative of the Board of License Commissioners who may be conducting an official investigation.

- E. In the event a licensee decides to significantly alter the mode of operation and the format of presentation of alcoholic beverages to the public from that contained in the original application approved by the Board at the time of issuance of the license, such change must first be presented to the Board for approval. Such changes in the mode of operation would include entertainment, alteration of physical premises, presentation of food, alcoholic beverages, seats, physical environment both inside and outside of the licensed premises. The intent of this section is that when a license significantly deviates from the original application as issued, the changes in the mode of operation must be reviewed so consideration can be given to the testimony presented on the original application by the parties of record so as to have assurances that the best interest of the public is accommodated and the operation of the business to be conducted under the license does not adversely impact or unduly disturb the community and further that it is harmonious to the peace, health, welfare and safety of the residents of Worcester County.

RULE NO. 8

DISCOUNT PRICING

No licensee or employee or agent of a licensee shall engage in the following discount pricing practice at any time unless specifically excepted herein:

- A. Offer or deliver any free drinks to any person or group of persons; as a sales promotion;
- B. Deliver more than two (2) drinks to one (1) person at a time;
- C. Sell, offer to sell, or deliver to any person any unlimited number of drinks during any set period of time for a fixed price, except at private functions and
- D. Sell alcoholic beverages at a price which is less than the licensee's cost.

RULE NO. 9

NOISE

All licensees shall operate their establishments in such a manner that will not disturb the peace, safety and tranquility of the neighborhood where located.

The intent of this Rule is that the licensee's operation shall not adversely impact its surrounding neighborhood in terms of noise and/or antisocial, illegal, boisterous and unsafe activities.

RULE NO. 10

ENTERTAINMENT

The Board of License Commissioners may regulate the time and noise level of the playing of mechanical music boxes, live music, and sound making devices that are used on licensed premises where the sound disturbs the peace, tranquility, safety and health of the surrounding neighborhood.

Entertainment is broadly defined and can include, but is not limited to, any type of performance provided by the licensee or the licensee's agents on the licensed premises. Some examples of entertainment are:

1. Music played by a disc jockey. A disc jockey is a person whom introduces and plays music, or a person who interacts with customers while playing recorded music,
2. Music played by a musician or band,
3. Choreography demonstrated by a dancer,
4. Jokes told by a comedian, and
5. Songs performed by a vocalist or instrumentalist.

Licensees do not need permission pursuant to Rule 34 for the activities set forth below:

1. Music played on a sound system (interior speakers only) without the assistance of a disc jockey, and
2. Electronic, mechanical, or other devices (e.g. television, karaoke machine, juke box, etc.) that are provided for customer use to enhance the customer's experience.

The location and number of any exterior speakers require permission of the Board.

RULE NO. 11

FOOD AVAILABILITY - CLASS B AND CLASS H, BEER, WINE AND LIQUOR LICENSES

All Class B and Class H Beer, Wine and Liquor Licenses must have available from the regular menu, hot meals between the hours of 12:00 p.m. to 9:00 p.m. provided the premises are open to the public.

RULE NO. 12

MINIMUM REQUIREMENTS - CLASS D AND CLASS I BEER, WINE AND LIQUOR

The establishment shall be equipped with adequate facilities for the preparation and serving of mixed alcoholic drinks and also contain an area sufficient in size to permit the activities required in the operation of a bar; such as, but not limited to, the facilities and ingredients commonly used in the mixing of drinks. The establishments shall also contain an enclosed area large enough to accommodate tables and chairs and/or bar stools that comfortably seat and accommodate at least fifty (50) people.

The said tables and chairs and/or bar stools must physically be within the licensed premises during the terms of the license. This rule shall apply to all licenses issued by the Board of License Commissioners for Worcester County, Maryland after December 17, 2014. All licenses issued prior to December 17, 2014 shall contain an enclosed area large enough to accommodate tables and chairs and/or bar stools that comfortably seat and accommodate at least twenty-five (25) people.

RULE NO. 13

CRIMINAL BACKGROUND INVESTIGATION REPORTS

Prior to the hearing, the Board must have Criminal Background Reports from the Maryland State Police and the FBI for all applicants for new or transfer applications. This can be a lengthy process; applicants are advised to begin this process as soon as possible. It is the responsibility of all applicants to obtain an information package on this process from the Board's Administrator, and to follow the instructions and procedures contained therein. The Criminal Background Investigation Application for each applicant must be taken **in** person to a place that is authorized by the Maryland State Police to electronically scan and submit fingerprints to the relevant agencies. A list of such places is maintained at the following web link: dpscs.maryland.gov/publicservs/fingerprint.shtml

RULE NO. 14

APPLICATION FOR ALCOHOLIC BEVERAGE LICENSE OR TRANSFER OF LICENSE

Applications for new licenses, transfer of licenses, and transfer of location of licenses shall be made on standard forms provided at the Board office. Information requested on all such forms shall be typewritten or printed in ink to be legible.

All applications must be **fully** completed and filed on or before the filing date designated for the hearing. A schedule of filing dates and hearing dates can be obtained by calling the Board's office. A current email address for each applicant must be provided with the application.

No new alcoholic beverage licenses, transfer of licenses or transfer of location of licenses having approval from the Board shall be issued until applicants complete the following items:

- A.** Bulk Sales Permit or Letter to release Bulk Sales if no bulk is to be transferred;
- B.** Minutes of the Corporation;
- C.** Articles of Incorporation and Certificate of Incorporation or Articles of Organization and Operating Agreement;
- D.** Copies of Stock Certificates;
- E.** Workmen's Compensation Certification;

- F. Lease - Deed;
- G. Interior Design Layout of licensed premises (file size copy);
- H. Stockowner's or Limited Liability Member Affidavit;
- I. Proof of compliance with Alcohol Awareness Training;
- J. Criminal Background Investigation Report;
- K. Fire and Health Certificate, except for Class A Applications;
- L. Affidavit of Compliance with Bulk Sales Act;
- M. Payment of all required fees. In the event a check is delivered to the Board and is returned for insufficient funds, the Board shall have the right to suspend any approval, renewal or license issuance until receipt of cash or certified funds.

In the case of married licensees each individual holding a license shall be required to file with their annual renewal application a sworn, notarized statement affirming that the licensees filed separate income tax returns for the year immediately preceding the date of the renewal application.

RULE NO. 15

SOLE OWNERS; APPLICATIONS BY

Persons applying for an alcoholic beverage license as sole owner must have resided in Worcester County for two (2) years immediately preceding the application for the license, and must continue to reside in Worcester County as long as they hold the alcoholic beverage license.

RULE NO. 16

PARTNERSHIPS; APPLICATIONS BY

If an application is made for a partnership, the license shall be applied for and be issued to all partners as individuals, all of whom shall have resided in Worcester County for at least two (2) years prior to the application, are registered voters in Worcester County, and shall continue to reside and be a taxpayer in Worcester County after the issuance of the license.

RULE NO. 17

APPLICATIONS BY CORPORATIONS AND LIMITED LIABILITY COMPANIES;

- A.** If an application is made for a corporation or club, whether incorporated unincorporated, the license shall be applied for by and be issued to three (3) of the officers of the corporation or club as individuals for the use of the corporation or club. In the case of a corporation where there are less than three (3) officers or directors of the corporation, all officers or directors shall make the application as provided in this section, at least one (1) of whom shall have resided in Worcester County for at least two (2) years prior to the application, is a taxpayer and is registered to vote in Worcester County, and shall remain a resident and taxpayer as long as the license is in effect. The application shall also set forth the names and addresses of all of the officers of the corporation or club and shall be signed by the President or Vice President as well as by the three officers to whom the license shall be issued. The application for every license shall disclose the name and address of the corporation, partnership or association as well as the name and address of the applicant. All applicants must be citizens of the United States.
- B.** A license for a limited liability company shall be applied for by and issued to three (3) of the authorized persons of that limited liability company, as individuals for the use of the limited liability company at least one (1) of whom shall have been a resident, of Worcester County. Such authorized person shall continue to be a resident of Worcester County during the holding of this license. In addition, the application shall also set forth the names and addresses of each of the authorized persons and shall be signed by the three (3) authorized persons to whom the license shall be issued. In the event that there are less than three (3) authorized persons of the limited liability company, all authorized persons shall make application.

Applicants for a new license or a transfer must certify that one of the applicants meets the above stated residency requirements and that the designated Worcester County resident serves in the capacity of Resident Agent. Additionally, except for a Class B, Beer, Wine and Liquor License, the Resident Agent shall certify that he/she holds 10% of the outstanding stock of the corporation or that he/she holds 10% of the outstanding membership interest of the limited liability company. A majority stockholder or member may be required to apply for a license as an applicant at the direction of the Board.

In the event there are no officers or directors of a closed corporation, at least one stockholder may make application if there is an affirmative vote of the stockholder holding a majority of the stock.

The requirements of stock ownership shall not apply in the case of a corporation whose sale of stock is authorized for sale by the Securities and Exchange Commission of the United States.

The term "Applicant" for the purpose of the Rule, means a corporate officer or member who will be issued the license as an individual on behalf of the corporation or limited liability company.

RULE NO. 18

HEALTH AND FIRE DEPARTMENT CLEARANCE

No Class B, C, D, H or I license approved by the Board of License Commissioners shall be issued by the Board until the premises has been approved by the Health Department of Worcester County and no license holder of such licenses, his/her agents or employees shall be permitted to sell any alcoholic beverages without a current Health Department Permit.

No license approved by the Board of License Commissioners shall be issued by the Board until the premises has been approved by the Worcester County Fire Marshal.

RULE NO. 19

SPECIAL AND TEMPORARY LICENSE; CLASS C (CLUB)

General: Special and Temporary licenses shall be required in accordance with Section 33-1307 and 33-1309 of the Alcoholic Beverage Article and shall be issued by the Chairman of the Board of License Commissioners to any qualified, bona fide religious, fraternal, veterans, political, civic, or other nonprofit organization, when such organizations are having a function at which there will be a cash bar or admission charge or both, provided that the application for the license is filed with the Board at least ten (10) days prior to the effective date of the license and the sponsoring group is responsible for enforcing compliance with current Alcoholic Beverage Laws and Rules, etc.

RULE NO. 20

TRANSFER OF STOCK OWNERSHIP OR MEMBERSHIP INTEREST: SUBSTITUTION OF CORPORATE OFFICERS OR MANAGER

- A.** Whenever more than the cumulative amount of 50% of the stock in a corporation or 50% of the membership interest in a limited liability company has been transferred since the approval of a new or transfer application, an application for transfer must be filed with the Board and approved by the Commissioners.
- B.** Whenever less than the cumulative amount of 50% of the stock in a corporation or 50% of the membership interest in a limited liability company is being transferred from any person other than the Resident Agent since the last transfer or new application and approval, and the stock or membership interest is being transferred among existing stockholders or members, then all that is necessary to effectuate this transfer is a letter of request to the Board of License Commissioners for permission to issue the new stock. Additionally, the stock ownership or member affidavit must be provided to the Board.
- C.** Whenever any resident agent resigns, an application for transfer shall be filed within thirty (30) days after the notice of resignation is received by the Board. For good cause shown the Board may alter this procedure for any licensed premises.

RULE NO. 21

DEATH OF A LICENSEE

Upon the death of any married licensee, or upon the death of any licensee holding that license for the benefit of a partnership, limited liability company or corporation, upon application to the official issuing the license, a new license shall be issued to the surviving spouse, the surviving partner for the benefit of the partnership, the surviving members or the senior surviving corporate officer for the benefit of the corporation, without the necessity of any further proceeding for the balance of the current license year. A renewal license may be issued to the surviving spouse or to the surviving members of a partnership, limited liability company or corporation, if they qualify to hold the license.

If the above does not apply, upon the death of the holder of any license issued under the provisions of the Alcoholic Beverage Article, the license shall expire, except as herein otherwise provided, provided, however, that upon application to the Administrator of the Board of License Commissioners issuing such license by the executors or administrators of the deceased licensee, a Certificate of Permission may be granted for the continuation of the business in the name of such executors or administrators for the benefit of the estate of the deceased for a period not exceeding eighteen months from the date of any such permission unless the license shall expire sooner, in which case upon application by the executor or administrator as above provided, a renewal license for a period not exceeding eighteen (18) months after the death of the license holder.

Such certificates or permission and renewal licenses issued will be subject to the right of protest, revocation, suspension and restriction as in other cases upon the payment of the pro rated license fee for such a period, and during the period of such continuation the said license and the executors or administrators of the deceased shall be subject to all of the provisions of the Alcoholic Beverage Article. The administrator or executor to which the aforesaid Certification of Permission has been granted may assign or transfer said license for the benefit of said estate, and upon the approval of the application for said transfer or assignment, the said license shall be considered reinstated upon the payment of the balance of the license fee which might be due to the expiration of the license year. If the business of the licensee be not continued as above provided, or if the said license be not transferred or assigned, his executors or administrators shall be authorized to apply for and obtain any refund to which the deceased would have been entitled if his license had been surrendered for cancellation upon the date of his death.

RULE NO. 22

SUBSTITUTION OF OFFICERS: CLASS C LICENSES (CLUB)

Notwithstanding any other provisions of The Alcoholic Beverage Article, any corporation or club holding a Class C license may, during any license year, substitute the name of any one officer for the name of any other officer on the license when the depleted officer has died, retired, been removed from office, or no longer hold an office in the corporation. The corporation shall file an affidavit with the Board showing the Substitution of an Officer or Officers with an explanation of substitution. Upon receipt of the Affidavit, the Board shall amend its records and issue a new license with the correct name.

RULE NO. 23

FEES

All fees must be paid by check or money order and paid to the order of Worcester County. Fines must be paid by cashier's check. In the event a check is delivered to the Board and is returned for insufficient funds, the Board shall have the right to suspend any approval, renewal or license issuance until receipt of cash or cashier's check.

RULE NO. 24

DISPLAY OF LICENSE

Each licensee shall place the alcoholic beverage license in a separate frame, under glass, and place the license so that it shall be conspicuous and easily read in his/her place of business by his/her customers and the agents of the Board and the general public.

RULE NO. 25

LICENSE REFUSAL

Whenever any application for a license is refused, no further application for a license for the same premises shall be made for a period of six (6) months from the date of such refusal. This Rule shall not apply in the case of applications rejected because of a legal defect or omission in the application; or if such refusal was solely directed against the person or persons applying for the prior license, and expressly stated as the reasons for refusal, and not against the premises in question, or where more than one applicant applies for the license.

RULE NO. 26

ALTERATIONS AND ADDITIONS

No license holder shall make any alteration or addition on a licensed premise or change the manner in which alcoholic beverages are dispensed without first obtaining permission from the Board.

No license holder shall make any installations or alterations on the licensed premises until a permit has been obtained from the appropriate public authority for Worcester County and until the approval of the Fire Authority, Health Department and Department of Licenses and Permits has been obtained where such approval is required by law.

All approved plans must be completed within six (6) months of the date of approval by the Board; failure to do so may result in rescission of the authorization previously granted.

RULE NO. 27

MANUFACTURERS AND WHOLESALERS INTEREST IN RETAIL ESTABLISHMENTS

It shall be unlawful for any holder of a manufacturer's or wholesaler's license, or anyone connected with the business of the holder, or any distiller, nonresident dealer, brewer, rectifier, blender, or bottler of alcoholic beverages to have any financial interest in the premises upon or in which any alcoholic beverage is sold at retail by any licensee, or in business conducted by the licensee; and shall be unlawful also for any person or anyone connected with his/her, or their business, to lend any money or other thing of value, or make any gift or to offer any gratuity to any retail dealer, and it shall be unlawful also for any brewer or beer wholesaler to furnish any sign, display or other form of advertisement of any value in excess of \$15.00, advertising the beer or malt beverage products of a particular wholesaler or brewer to the holder of any retail license issued under the provision of the Alcoholic Beverage Article of the Annotated Code of Maryland. Except as provided for, a retail dealer may not accept, receive or make use of any money, gift, sign or display furnished by any manufacturer or wholesaler, or any distiller, brewer, rectifier, nonresident dealer, blender or bottler, or become indebted to any person except for the purchase of alcoholic beverages and allied products purchased for resale. It shall be unlawful also for any manufacturer, distiller, nonresident dealer, rectifier, blender or bottler, or wholesaler of alcoholic beverages other than beer and malt beverages to furnish any sign, display or other form of advertisement of value except as hereinafter provided. Signs, posters, placards, devices, graphic displays bearing advertising matter or any other forms of advertising for use in windows or elsewhere on a retail liquor establishment may be given or furnished to a retailer by a brand owner who is engaged in the business as a distiller, nonresident dealer, rectifier, blender, bottler or wholesaler of alcoholic beverages other than beer and malt beverages, provided:

- A.** The utilitarian value is secondary and only incidental to the value as an advertisement;
- B.** The total value of any item furnished by any brand owner for each of its individual brands for use in any one retail establishment at any one time does not exceed the sum of \$25.00 for each individual brand;
- C.** The cost of installation of these materials does not exceed that which is usual and customary in that particular locality.

Materials and labor may be furnished by a brand owner for the custom manufacture of an advertising display not to exceed \$20.00 which is temporary in nature and has no other utilitarian value. A manufacturer or nonresident dealer or brand owner may not undertake any plan or design which directly or indirectly results in the purchase of advertising materials or supplies and advertising service by any wholesale or retail licensee; neither shall a wholesale or retail licensee participate directly or indirectly in any transaction in which he pays for or shares in the cost for any value of the advertising materials, supplies, services or mailing expenses utilized to promote the brand owners products; nothing contained herein is intended to provide wholesale licensees from furnishing brand owners as defined, with display materials and installation service charges, computed at not less than the fair market value for these services.

RULE NO. 28

LIENS AGAINST LICENSES NOT RECOGNIZED

In Worcester County licenses issued under the Alcoholic Beverage Article of the Annotated Code of Maryland shall not be subject to writs of execution by a judgment creditor of a licensee nor shall said licenses be subject to distraint for rent.

RULE NO. 29

EVICTIONS FROM, VACATING OF PREMISES

- A.** On the tenth (10) day after the holder of any license issued under the provisions of the Alcoholic Beverage Article has vacated or been evicted from the premises of which the license was issued, the license shall expire unless an application for approval of a transfer to another location or assignment to another person pursuant to Section 4-301 of the Alcoholic Beverage Article or an application pursuant to Section 33 Subtitle 17 of the Alcoholic Beverage Article has been approved or is then pending. However, the official authorized to issue license, in his/her discretion, may postpone the expiration for an additional period not exceeding twenty (20) days in any case to avoid undue hardship.
- B.** This Rule does not apply to the holder of any license whose premises have been acquired for public use.
- C.** The license for a premise acquired for public use shall expire within 180 days of acquisition unless an application for approval of a transfer of the license to another location or assignment to another person pursuant to Section 10-503 of the Alcoholic Beverage Article or an application pursuant to Section 10-506 of the Alcoholic Beverage Article has been approved or is then pending.

RULE NO. 30

INSPECTIONS

All license holders, their agents and employees, must cooperate with representatives of the Board of License Commissioners, members of the Police Department, Fire Authorities, Health Department, Department of Licenses and Permits, Grand Jury, and representatives of other authorized agencies whenever any of these persons are on the licensed premises on official business and shall comply with any reasonable order of such authorities or other public authority designated to promote the health, safety and general welfare of the public at large.

RULE NO. 31

LICENSEE'S RESPONSIBILITY

The licensee shall be personally responsible for the operation of the licensed premises and shall be responsible for violations committed not only by him/her but also by his/her agents, employees and operators.

RULE NO. 32

SUSPENSIONS, REVOCATIONS, FINES

- A.** The Board of License Commissioners may revoke, suspend and/or impose a fine in lieu thereof, on any license issued under the provisions of the Alcoholic Beverage Article for a period of time or amount up to \$4,000.00 per offense to be determined by the Board for finding in violation of the provisions of the Alcoholic Beverage Article and/or these Rules concerning an illegal sale of alcoholic beverages on Sunday by the licensees or for two or more findings in violation by the Board of License Commissioners or conviction by a court of law for a violation of the Alcoholic Beverage Article and/or the Rules of an illegal sale of alcoholic beverages on Sunday.
- B.** The Board may suspend or revoke and impose a fine on any license for any conviction of the licensee of a violation in or on the licensed premises of any of the laws of the State of Maryland concerning gambling or gaming or for any two (2) convictions of one (1) or more of the agents or employees of a licensee under the provisions of the Alcoholic Beverage Article and these Rules concerning gambling or gaming. The word "conviction" as used in this Rule shall be construed to include a verdict or plea of nolo contendere, or the forfeiture of a bond or collateral accepted on any charge, summons, warrant or indictment which may be pending. two (2) or more findings in violation by the Board of License Commissioners against the same premises occurring on the same day shall be deemed and considered as one offense.
- C.** The Board may fine and suspend or revoke any license issued under the provisions of the Alcoholic Beverage Article or the Annotated Code of Maryland for the following causes:

 - 1. The licensee or his/her agents or employees having been found in violation of any of the provision of The Alcoholic Beverage Article or the local Rules or having been convicted in a court of law for the violations of any of the provisions or the Alcoholic Beverage Article or the local Rules.
 - 2. Failure or refusal of any licensee to comply with any of the provisions of the Alcoholic Beverage Article or any Rule that has been adopted by the Board of License Commissioners.

3. The making of any materially false statement in any application for new, transfer or renewal of a license.
4. The possession upon the premises of any retail dealer of any alcoholic beverages upon which the tax imposed by the Alcoholic Beverage Article has not been paid unless allowed by the Alcoholic Beverage Article.
5. Violation of the provisions of the Alcoholic Beverage Article pertaining to manufacturers and wholesalers having an interest in a retail license.
6. Failure of any licensee to keep records required under the provisions of the Alcoholic Beverage Article and these Rules or the refusal to allow inspection of such records by duly authorized persons.
7. Possession of any alcoholic beverage by licensee, agent, employee, or patron of alcoholic beverages not authorized under license.
8. Suspension or revocation of a permit issued to any licensee by the Federal Alcoholic Administration or the Comptroller of the Treasury of the State of Maryland or for conviction of violating any Federal or State laws relating to alcoholic beverages.
9. Failure to furnish bond as required by The Alcoholic Beverage Article or the Annotated Code of Maryland within fifteen (15) days after notice from the Comptroller.
10. Closing the licensed premises for more than thirty (30) days without the Board's permission during the months of April through September of each year. The Board may allow closing of the licensed premises for a reasonable period of time upon request of the licensee.
11. Conviction of a felony by a licensee.

D. The Board may fine and suspend or revoke any license issued under the provision of The Alcoholic Beverage Article for any cause which in the judgment of the Board shall be necessary to promote the peace and safety of the community in which the business is situated and this cause is defined to include, but not limited to:

1. Any illegal sale after hours by the licensee, his/her agents or employees.
2. Any illegal Sunday sale by the licensee, his/her agents or employees.
3. Any illegal sale to a minor as defined in the Alcoholic Beverage Article by the licensee, his/her agents or employees.

4. Any violation by the licensee of a reasonable order issued to the licensee by the Board of License Commissioners, Health Department, Department of Licenses and Permits, Fire Department, Police Department, County Council, County Executive, Comptroller of the Treasury or any other public authority which in the judgment of the Board was issued to promote the health, safety and general welfare of the public.
5. Any sale of alcoholic beverages to an intoxicated person or disorderly person by the licensee, his/her agents or employees.
6. The licensee, his/her agents or employees permitting continuous disturbances or disorders to occur on or about the licensed premises.
7. Failure of the licensee, his/her agents or employees to obey any order of the Board or its authorized agents regarding keeping the premises clear of trash and debris.
8. Permitting juveniles on the premises during the hours prohibited by these Rules by the licensee, his/her agents or employees.
9. Permitting any intoxicated or disorderly person to remain or loiter on the licensed premises by the licensee, his/her agents or employees.
10. Conviction of the licensee in a criminal court, whether the court is a court of record or not, of any offense involving moral turpitude.
11. Violation of any of the restrictions or provisions of the Alcoholic Beverage Article of the Annotated Code of Maryland or the Rules, or Code of Maryland Regulations Title 3.
12. Permitting either lewdness, immoral activities, brawls, unnecessary noises, including loud and disturbing music, unlawful conduct by the licensee, his/her agents or employees, which acts constitute a public nuisance.
13. It is the responsibility of the licensee to keep and maintain his/her establishment in a clean, neat and attractive manner acceptable to the general public, and any licensed establishment shall not be a detraction for the neighborhood in which it is located.
14. Violation of any condition placed on licensee or licensed premises.

RULE NO. 33

GUIDELINE FOR GRANTING LICENSES

In addition to the requirements set forth in the Alcoholic Beverage Article of the Annotated Code of Maryland, applicants for any class of alcoholic beverage license are subject to the following guidelines and that all license applicants must prove the following facts:

- A.** That the granting of the license is necessary for the accommodation of the public.
- B.** That the granting of the license would not adversely impact or unduly disturb the peace, safety and harmony of the neighborhood.
- C.** That the applicants are sufficiently knowledgeable to the laws and Rules regarding the sale of alcoholic beverages.
- D.** That the license application satisfies all the requirements of the Alcoholic Beverage Article of the Annotated Code of Maryland.
- E.** That the applicants did not defraud the State by answering any questions contained in the license application or the stockholder affidavit in a perjurious manner.
- F.** That there are not any other reasons at the discretion of the Board why the license should not be issued.
- G.** That the applicants are fit and proper people to hold such a license.
- H.** That the applicants did not refuse or deny identification or any other documentation or material necessary to verify or ensure compliance with applicable regulations or the statute.

RULE NO. 34

POOL TABLES, VIDEO GAMES: CLASS B & D (ON SALE)

If any licensee plans to install one (1) or more pool tables or video games in the establishment, a written request must be submitted describing the location and number of pool tables and/or video games, and a written approval must be received. The Board may restrict the number and location of pool tables and video games. Minors shall not be permitted to play pool or video games in a licensed premise unless accompanied by a parent or guardian who is consuming food on the premises. When the parent or guardian is finished consuming food, the minor shall vacate the premises.

RULE NO. 35

ALCOHOL AWARENESS PROGRAM

- A.** A holder (or an employee designated by a holder) of any class of retail alcoholic beverages license, except for a temporary license issued pursuant to Section 7-101 of the Alcoholic Beverage Article of the Annotated Code of Maryland, shall complete training in an alcohol awareness program which is approved and certified by the State Comptroller. The training is valid for a period of 4 years. Every four (4) years the holder (or designated employee) shall complete retraining in an approved alcohol awareness program.
- B.** The current alcohol awareness wallet card or certificate for the designated employee shall be posted within the establishment.
- C.** Except for a Class C license, a licensee or person in a supervisory capacity shall be certified by an approved alcohol awareness course and be on the premises during the hours in which alcohol may be sold, unless the person is required to be absent for no more than two (2) hours in the case of a bona fide emergency. A log book documenting the length of each temporary absence and the reason for the absence shall be kept on the premises and made available upon request to the Alcoholic Beverage Inspector.

RULE NO. 36

TRANSFERS

A licensee must notify the Board **prior to any** change in the ownership of the business conducted under his/her license. Once a transfer has been approved by the Board of License Commissioners the license must be issued within forty-five (45) days after the day of approval or license will expire. An extension can be granted by the Board for good cause shown.

RULE NO. 37

RECORDS

- A.** All license holders shall maintain on the licensed premises a record containing the names, addresses, phone numbers, and ages of all persons employed by them on the premises. These records shall be open for inspection by any duly authorized representative of the Board at all times during regular business hours of the establishment.
- B.** All Class B and Class H license holders shall maintain records showing their monthly receipts from the sale of food and their monthly receipts from the sale of alcoholic beverages.

These records shall be available upon request of the Board and shall be provided within two (2) business days of the request unless good cause for delay is shown. The following records must be properly dated and maintained by Class B and Class H license holders:

1. Cash register tapes
2. Cash receipts journal (sales journal)
3. Cash disbursement journal (purchase journal)
4. Customer order forms (sales checks)
5. Invoices
6. Bank statements and canceled checks
7. Copies of sales tax returns
8. Copies of amusement and admission tax returns.

With the exception of item six (6), all the above documents should distinguish between alcohol and food transactions. These records must be maintained for at least two (2) years and may not be discarded or destroyed after that time if the Board directs the licensee to continue maintaining these records.

- C. When a Class B or Class H licensee is requested by the Board to submit periodic reports concerning food and alcohol sales, the reports shall be submitted in a format approved by the Board.

RULE NO. 38

DELIVERY - OFF PREMISES SALES

Except for caterers, licensees may not deliver alcoholic beverages off the licensed premises. Unless specifically authorized, all off premises sales must be in factory sealed containers only.

RULE NO. 39

NUDITY

If any of the following activities occur on any licensed premises, the Board will fine, suspend or revoke such licenses issued to any such premises;

- A. The performance of acts, or simulated acts, of sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation, or any sexual acts by any person which are prohibited by law:
- B. The actual or simulated “touching, caressing or fondling of the breasts, buttocks, anus or genitals”;

- C. The actual or simulated “displaying of the pubic hair, breasts, buttocks, anus, vulva genitals”;
- D. The permitting by a licensee of “any person to remain in or upon the licensed premises who exposes to public view any portion of his genitals or anus; or her genitals, anus or breast”.

RULE NO. 40

PAYMENT OF TAXES

All license holders shall make timely payment of their taxes and be current in payment of those taxes. Upon notification by the Comptroller of any taxes due and owing, or upon notification by the tax collector for Worcester County or any municipality within Worcester County, that a licensee's taxes have not been paid and are due and owing, the Board may suspend such license until such time as the taxes have been paid. In addition, failure to pay taxes timely shall constitute a violation of the rules.

RULE NO. 41

REMOVAL OF PARTIALLY CONSUMED WINE BOTTLES

Notwithstanding any other provision of this article, a person who purchases at a licensed premise a meal and a bottle of wine, the contents of which are partially consumed with the meal, may remove the bottle and its contents from the licensed premises if the license holder or an employee of the license holder inserts a cork in or places a cap on the bottle.

RULE NO. 42

USE OF PROMOTERS NOT PERMITTED.

The use of promoters or promotion companies is strictly prohibited. The licensee is responsible for the management of the business at all times. The licensee, their agent or manager (if an approved management agreement is on file with the Board) is responsible for the operation of the licensed premises to include any entertainment provided. At no time should the operation be relinquished to a promoter or promotion company.

The use of advertisements by promoters or promotion companies can be used as evidence before the Board that the licensee has relinquished control of the licensed premises. Establishments found in violation of this Rule and Regulation is subject to a fine and/or suspension and/or revocation of the alcoholic beverage license.

In the event of a conflict between any rule and the Alcoholic Beverage Article, the Alcoholic Beverage Article shall control. The Alcoholic Beverage Article contains numerous sections which impose additional requirements upon license holders. A copy of the Alcoholic Beverage Article of the Annotated Code of Maryland may be obtained from LexisNexis by calling 1-800-833-9844.