THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND
AGENDA

May 25, 2021

10:00 AM Call to Order/Pledge of Allegiance/Moment of Silence

Building is Open for In-Person Attendance or Dial 1-872-239-8359 and enter Conference ID 654 050 868#

COVID-19 Update

Bill Webb, Health Officer, Kent County Health Department and Wayne Darrell, Director, Emergency Services

State of Emergency Update

Public Notices

County Offices Closed, May 31, 2021

Code Home Rule Bill No. 7-2021 Farm Breweries In The Agricultural Zoning District

Adoption Notice

FY2022 Proposed Budget Hearing

Consent Items

#1 - Regular Session Minutes, May 18, 2021

#2 - Liquor Minutes, May 18, 2021

#3 - Public Hearing Minutes, May 18, 2021

Special Class C Licenses

Main Street Historic Chestertown, Beer and Wine, May 29, 2021

Public Hearing

Alcoholic Beverage License Hearing

Rodney Scruggs, Member
Lisa Scruggs, Member
Anne Kelso, Member
Watershed on High, LLC trading as Watershed Restaurant
Class B, Beer, Wine, and Liquor with Caterer's Privilege

Kent Alcohol and Tobacco Enforcement KATE

J. Terry Ober, Inspector, Kent Alcohol and Tobacco Enforcement and Sondra Blackiston, Clerk/ KATE Manager

2020 - 2021 Legislative Update

J. Terry Ober, Inspector, Kent Alcohol and Tobacco Enforcement and Sondra Blackiston, Clerk/ KATE Manager

Discussion of Alcoholic Beverages Manual of Rules and Regulations

Departmental Appointments

Scott Boone, Director, Information Technology

DHCD Grant Opportunities - Request to Approve MOU, Request to Approve Broadband Infrastructure Contracts

Scott Boone, Director, Information Technology

Request to Amend Lease Agreement with Centric Business Systems

Human Resources Director

Public Works - Water and Wastewater Division

Approval to Fill Utilities Technician Vacancy

Public Works - Building Maintenance

Approval to Fill Building Maintenance Worker Vacancy

Local Management Board

Approval to Fill Systems of Care Coordinator Position

Building is Open for In-Person Attendance: Public Comment/Media Review Dial 1-872-239-8359 and enter Conference ID 654 050 868#

Procedures for Public Comment

For Your Information

Jamie Williams, Director, Economic and Tourism Development

Support Letter

Rock Hall Church of God

Hope House Grand Opening

Contingency Fund

Contingency and Use of Fund Balance Report

(Meetings are conducted in Open Session unless otherwise indicated. All or part of County Commissioners' meetings can be held in closed session under the authority of the MD Open Meetings Law by vote of the Commissioners. Breaks are at the call of the President. Please note that times listed for specific items on the agenda are only estimates, and that the order of agenda items may change as time dictates or allows. Meetings are subject to audio and video recordings.)

Bill Webb, Health Officer, Kent County Health Department and Wayne Darrell, Director, Emergency Services
5/25/2021
County Commissioners Meeting

Item Summary:
State of Emergency Update

ATTACHMENTS:

Description

Commissioners COVID-19 Update 5-25-21

COVID-19 UPDATE MAY 25, 2021

KENT COUNTY HEALTH DEPARTMENT

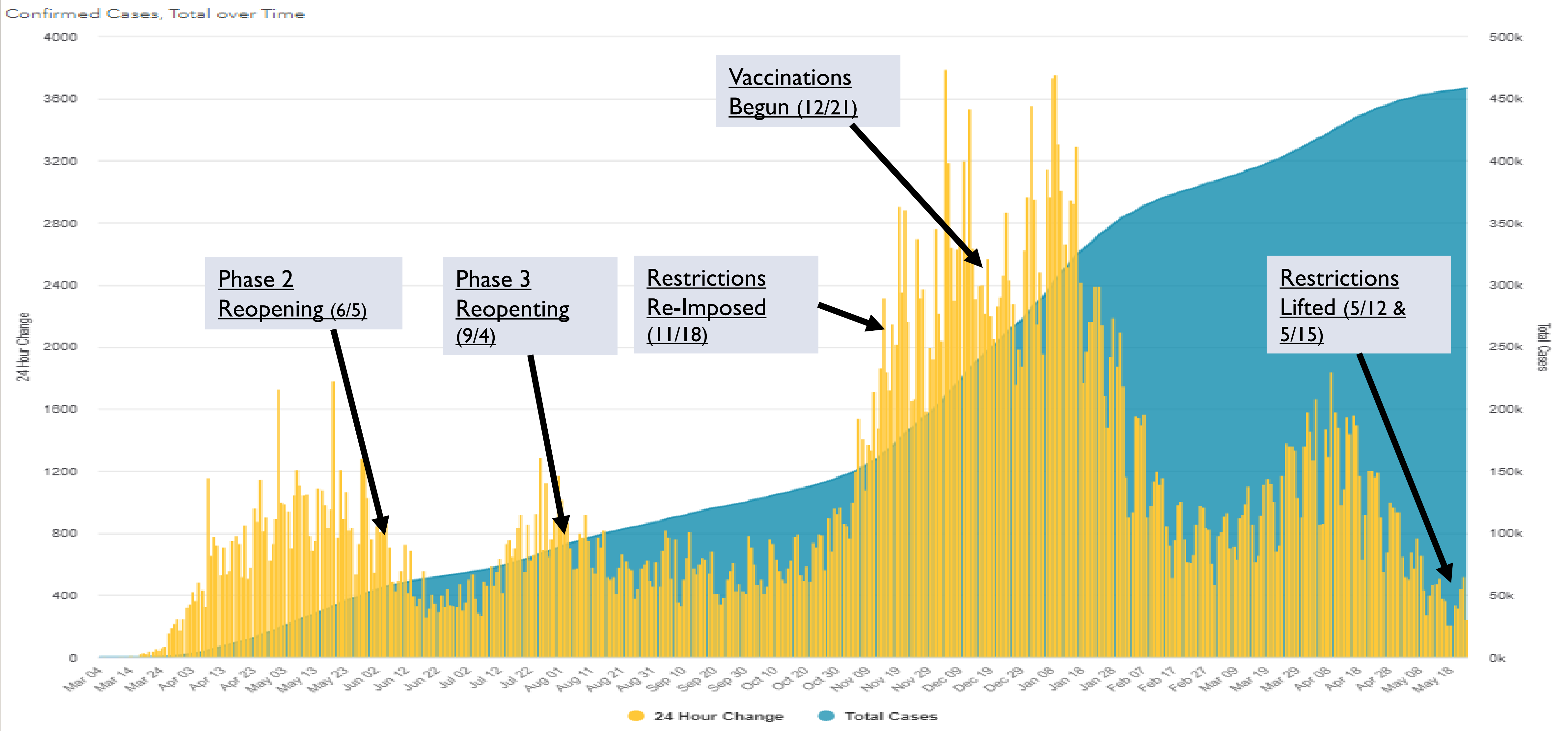
MR. BILL WEBB MS

HEALTH OFFICER

COVID-19 DEVELOPMENTS

- COVID-19 Metrics are Down Significantly From January 2021
- Vaccination Activity has peaked and Demand is Waning.
- Governor Lifted Most Indoor & Outdoor Capacity Restrictions on 5/12.
- Mask Mandate Lifted on 5/15 except for Schools, Public Transportation, & Healthcare
- Pfizer Vaccine Approved for Ages 12+ on 5/10
- Governor Hogan Announced Vaccine Lottery on 5/20

TOTAL POSITIVE CASES – MARYLAND



Graph from MD COVID-19 Data Dashboard
5/23/21

KENT COUNTY COVID-19 DASHBOARD

AS OF 5/23/21

ACTIVE CASES	18	Positivity	2.31%
OPEN POSSIBLE CONTACTS	25	Case Rate	6.62
ACTIVE OUTBREAKS	0		

ACTIVITY BY WEEK FOR PREVIOUS 7 DAYS

Date	# of New Cases	# of New Outbreaks	Deaths
5/2	16	0	1
5/9	13	0	0
5/16	9	0	0
5/23	7	0	0
TOTAL	45	0	1

CUMULATIVE COUNTS SINCE START OF PANDEMIC

CASES	1346
DEATHS	60

* Incomplete Week

VACCINATION PROGRESS

Kent County Percent of Population Age 16+ Vaccinated

	1st Dose		2nd Dose		Single Dose		FULLY VACCINATED	
	Total Injected	% of Pop	Total Injected	% of Pop	Total Injected	% of Pop	Total Injected	% of Pop
Kent County	9,157	58.6%	7,743	46.2%	660	3.9%	8,403	50.1%*
State of Maryland	2,779,956	66.90%	2,291,056	47.1%	204,952	4.2%	2,676,572	55.1%

*Ranks Kent 11th out of 24 In the State

MDH COVID 16+ Vaccine Summary Report
5/21/25

VACCINATION PROGRESS (AGE 65+)

COVID 65+ SUMMARY

	Population 65+	1st Dose		2nd Dose		Single Dose		FULLY VACCINATED	
		Total Injected	% of Pop	Total Injected	% of Pop	Total Injected	% of Pop	Total Injected	% of Pop
Kent County	5,264	4,331	85.1%	4,032	76.6%	147	2.8%	4,179	79.4%
State of Maryland	959,396	743,989	87.4%	675,361	70.4%	42,448	4.4%	761,885	79.4%

*Ranks Kent 6th out of 24 In the State

MDH COVID 65+ Vaccine Summary Report 5/21/21

How Much Vaccine Has KCHD Delivered?

KCHD ADMINISTERED DOSES AS A PERCENTAGE OF ALL DOSES RECEIVED BY KENT CITIZENS

1st Dose		2nd Dose		Single Dose		FULLY VACCINATED	
Total Injected	% of Total	Total Injected	% of TOTAL	Total Injected	% of Total	Total Persons	% of Total
5249	57.3%	5031	65.0%	315	47.7%	5346	63.6%

KCHD COVID-19 VACCINATION DATA BY WEEK

		COVID DOSES RECEIVED						COVID DOSES INJECTED						
Week Number	Start of Week	Moderna First Doses	Moderna Second Doses	Pfizer First Doses	Pfizer Second Doses	J&J Single Dose	Total Received For Week	Moderna First Dose	Moderna Second Dose	Pfizer First Dose	Pfizer Second Dose	J&J Single Dose	Total Doses Injected for week	Future Scheduled Appts
Week 20	4/26	300	100			0	400	72	331			0	403	
Week 21	5/3	300	300			0	600	29	319			26	374	
Week 22	5/10	0	0			0	0	51	20			0	71	
Week 23	5/17	0	0			0	0	64	214			25	303	
Week 24	5/24	0	0	66	0	0	66						0	125
CUMULATIVE TOTALS		6000	5000	66	0	500	11566	5249	5031	0	0	315	10595	150

Total Doses Injected + Future Appts	10745
Percentage Injected or Committed	92.90%

DATA AS OF 3/14/21

COVID-19 VACCINE STRATEGIES – NO ARM LEFT BEHIND

- Transition from large mass vaccination clinics to smaller more mobile clinics
- Offer onsite service to employers and organizations.
  - E.g.: School based clinics for those age 16-17
- Offer Walk-in, No Appointments vaccination times at the Health Dept.
- Offer clinics at times outside regular business hours
- Partner with community leaders to identify and vaccinate groups of underserved
- Increase messaging on Social Media and Convention advertising
- KCHD has Vaccine for anyone who wants it.

KENT COUNTY COMMUNITY CENTER

- KCHD will be demobilizing out of the Gym and Child Care Areas this week
- KCHD will continue to use the Meeting Room and Kitchen in June
- All Vaccination Activities at the Community Center will be completed by 6/30
- Current Vaccination Demand Can be Met in the Health Dept after July 1.
- KCHD may need to use the Community Center again in the Fall if Vaccines are approved for those aged 0 – 11 Years

KENT EMERGENCY OPERATIONS

- Statewide EOC Activities are Slowing and Preparing for the End of the Emergency
- KCHD and DES will meet with EOC Partners to Discuss Demobilizing this week.
- Recent Response Activities have been Focused on Vaccinations.

COMMUNITY PARTNERS WHO DESERVE THANKS

- Dept. Emergency Services
- Sheriffs Office
- Dept. Parks & Rec
- Dept. of Public Works
- Commission on Aging
- Upper Shore Aging
- Lions Club
- Maryland Responds Volunteers
- Delmarva Community Transport
- United Way of Kent
- Volunteer Fire Companies
- Local Management Board
- Kent County Public Schools
- Kent School

- Chester Valley Ministers Assoc.
- University of MD Shore Regional Health
- Choptank Community Health
- Shrewsbury Episcopal Church
- Amy Lynn Ferris Center
- MD Emergency Management Agency
- FEMA – MVU Eastern Team 1 & 2
- Walgreens
- Chester River Pharmacy
- Washington College Student Health
- Kent Center
- Shanahan & Ferguson Medical Practice
- Cecil County Health Dept.
- Homeports

County Offices Closed, May 31, 2021
5/25/2021
County Commissioners Meeting

ATTACHMENTS:

Description

Memorial Day Notice 2021

PUBLIC NOTICE

All Kent County Offices will be **CLOSED** on **Monday, May 31, 2021**, in observance of Memorial Day.

PUBLISH: KCN – 05/27/21

Code Home Rule Bill No. 7-2021 Farm Breweries In The Agricultural Zoning District
5/25/2021
County Commissioners Meeting

Item Summary:
Adoption Notice

ATTACHMENTS:

Description

Code Home Rule Bill No. 7-2021 Farm Breweries In The Agricultural Zoning District ADOPTION NOTICE

Code Home Rule Bill No. 7-2021 Farm Breweries In The Agricultural Zoning District ADOPTED Legislation

The County Commissioners of Kent County

P. THOMAS MASON
PRESIDENT
CHESTERTOWN, MD

RONALD H. FITHIAN
MEMBER
ROCK HALL, MD

ROBERT N. JACOB, JR.
MEMBER
WORTON, MD

R. Clayton Mitchell, Jr.
Kent County Government Center
400 High Street
Chestertown, Maryland 21620
TELEPHONE 410-778-4600
E-MAIL kentcounty@kentgov.org
www.kentcounty.com

SHELLEY L. HELLER
COUNTY ADMINISTRATOR

THOMAS N. YEAGER
COUNTY ATTORNEY

April 20, 2021
Legislative Session Day

Legislative Session Day
April 20, 2021

CODE HOME RULE
BILL NO. 7-2021

INTRODUCED BY: P. Thomas Mason, President of the Board of County Commissioners for Kent County, Maryland.

AN ACT to amend Article V, *District Regulations*, Section 1, *Agricultural Zoning District*, Section 1.2 *Permitted Principal Uses and Structures of the Kent County Land Use Ordinance*, by adding a new § 7.5 in order to allow a "Farm Brewery, as defined by the State of Maryland" as a permitted use by right in the Agricultural Zoning District.

This legislation was adopted on May 18, 2021, without amendments; and the provisions of this Act shall take effect on May 28, 2021.

This bill in its entirety is on file at the Commissioners' Office, 400 High Street, Chestertown, Maryland, Monday through Friday, 8:30 a.m. to 4:30 p.m. and on the County's website at www.kentcounty.com.

By order of:

THE COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND

Sondra M. Blackiston sw

Sondra M. Blackiston
Clerk

PUBLISH: KCN 05/27/21, 06/03/21, 06/10/21

THE COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND

April 20, 2021
Legislative Session Day

Legislative Session Day
April 20, 2021

CODE HOME RULE
BILL NO. 7-2021

INTRODUCED BY: P. Thomas Mason, President of the Board of County Commissioners for Kent County, Maryland.

AN ACT to amend Article V, *District Regulations*, Section 1, *Agricultural Zoning District*, Section 1.2 *Permitted Principal Uses and Structures of the Kent County Land Use Ordinance*, by adding a new § 7.5 in order to allow a "Farm Brewery, as defined by the State of Maryland" as a permitted use by right in the Agricultural Zoning District.

THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND

P. Thomas Mason
P. Thomas Mason, President

INTRODUCED, read first time, April 20, 2021, ordered posted and public hearing scheduled, May 11, 2021, at 10:00 a.m. in the County Commissioners Hearing Room, R. Clayton Mitchell, Jr., Kent County Government Center, 400 High Street, Chestertown, Maryland.

By order of:

Sondra M. Blackiston
Sondra M. Blackiston, Clerk

PUBLIC HEARING

HAVING been posted and notice of time and place of hearing and copies having been made available to the public and the press, a public hearing was held on May 11, 2021. Reported favorably ~~[with]~~ [without] amendments; read a second time and ordered to be considered on May 18, 2021, a legislative session day.

CAPITALS & BOLD INDICATES MATTER ADDED TO EXISTING LAW.
~~Strike through~~ indicates matter deleted from existing law.

A BILL ENTITLED CHR 7-2021 FARM BREWERIES IN THE AGRICULTURAL ZONING DISTRICT

NOW, THEREFORE, BE IT ENACTED BY THE COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND that the Kent County Land Use Ordinance is hereby amended as follows:

ARTICLE V.

DISTRICT REGULATIONS

SECTION 1. AGRICULTURAL ZONING DISTRICT

. . .

1.2 PERMITTED PRINCIPAL USES AND STRUCTURES

A *building* or land may be used only for the following purposes:

1. *Agriculture*, including horticulture, hydroponics, general farming, orchards, groves, or nurseries for growing or propagation of plants, trees, and shrubs.

. . .

7. *Erosion* and *flood* control *structures*.

7.5 FARM BREWERY, AS DEFINED BY THE STATE OF MARYLAND.

8. Greenhouses, wholesale or retail.

. . .

BE IT FURTHER ENACTED by the County Commissioners of Kent County that this Act shall take effect on the 28th day of May, 2021.

Read Third Time May 18, 2021

PASSED this 18th day of May, 2021.

Failed of Passage ____________________

By order of:

Sondra M. Blackiston, Clerk

THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND

(SEAL)

P. Thomas Mason, President

Ronald H. Fithian, Member

Robert N. Jacob, Jr., Member

ORDERED a fair summary thereof of the entire bill shall be published in at least one newspaper of general circulation in the County, not less than three times at weekly intervals within a four-week period.

FY2022 Proposed Budget Hearing
5/25/2021
County Commissioners Meeting

ATTACHMENTS:

Description

06.08.21 Proposed FY2022 Budget Hearing Notice

The County Commissioners of Kent County

P. THOMAS MASON
PRESIDENT
CHESTERTOWN, MD

RONALD H. FITHIAN
MEMBER
ROCK HALL, MD

ROBERT N. JACOB, JR.
MEMBER
WORTON, MD

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SHELLEY L. HELLER
COUNTY ADMINISTRATOR

THOMAS N. YEAGER
COUNTY ATTORNEY

KENT COUNTY PUBLIC NOTICE
FISCAL YEAR 2022 COUNTY BUDGET

Notice is hereby given that on Tuesday, June 8, 2021, the County Commissioners of Kent County will hold a public hearing for the Proposed FY2022 Budget at 10:00 a.m. The hearing is open to the public, and public comment is encouraged. The County offers four (4) options for the public to provide input in the public hearing process. Written comments will be accepted until noon on June 7, 2021. Comments will be read by County staff during public testimony.

Options:

In-person

By email
kentcounty@kentgov.org

By letter
The County Commissioners of Kent County
400 High Street
Chestertown, MD 21620

And by phone during public comment using the call-in option
1-872-239-8359 Conference ID 238 192 779 then press #

Please contact the County Commissioners' Office at (410) 778-4600 and press 4 or by email at kentcounty@kentgov.org no later than noon on June 4, 2021 if you need further instructions on how to observe the conduct of public business, participate in the public hearing process, and provide testimony if desired.

By order of:

THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND

Sondra M. Blackiston

Sondra M. Blackiston, Clerk

PUBLISH: KCN 05/27/21

#1 - Regular Session Minutes, May 18, 2021
5/25/2021
County Commissioners Meeting

ATTACHMENTS:

Description

#2 - Liquor Minutes, May 18, 2021
5/25/2021
County Commissioners Meeting

ATTACHMENTS:

Description

#3 - Public Hearing Minutes, May 18, 2021
5/25/2021
County Commissioners Meeting

ATTACHMENTS:

Description

Main Street Historic Chestertown, Beer and Wine, May 29, 2021
5/25/2021
County Commissioners Meeting

ATTACHMENTS:

Description

4714 Main Street Historic Chestertown, Application

4714 Main Street Historic Chestertown, License

4714

APPLICATION FOR A SPECIAL CLASS "C" (PER DIEM) LICENSE

Application is made by the undersigned under the provisions of Sections 4-1202, 4-1208, 4-1209, 24-503, 24-1301, 24-1307 and 24-1308 of the Alcoholic Beverages Article, for a Special Class C (Per Diem) License.

Check One: **Beer ( ) Beer and Wine (✓) Beer, Wine, and Liquor ( )**

We submit and certify to the following information and statements as required.

1. The club, society or association on behalf of which the license is desired:

Main Street Historic Chestertown

Address 118 N. Cross Street

Type of Function Street Party and Dedication of new stage

Location of Function 200 block of High Street, Chestertown

2. This function is operated exclusively for a religious, fraternal, civic, veterans', or charitable organization, association, club, or society; or hospital supporting organization.

3. The applicants are citizens of the United States, not less than twenty-one years of age, and have never been convicted of a felony.

4. The applicants have not had a license for the sale of alcoholic beverages revoked.

5. Have the applicants ever been adjudged guilty of violating the laws for the prevention of gambling in the State of Maryland and/or adjudged guilty of violating the laws governing the sale of alcoholic beverages in the State of Maryland or the United States? NO

Yes or No

6. The applicants will, if granted a license, conform to all laws and regulations relating to the business with respect to which such license is desired.

7. The applicants submit herewith a statement duly executed and acknowledged by the owner of the premises in which the business is to be conducted, assenting to the granting of the license applied for, authorizing the Comptroller, his duly authorized deputies, inspectors and clerks, the Board of License Commissioners (if any) for the aforesaid County, its duly authorized agents and employees, and any peace officer of said county, to inspect and search, without warrant, the premises upon which the business is to be conducted, and any and all parts of the premises where said business is to be conducted, at any and all hours.

8. The license for which this application is made is to be for the following day(s) May 29, 2021.
Begin at: 11:45 AM End at: 3:00 pm and the applicant tenders herewith the sum of ($ 15.00 Per Diem) ($ 15.00) in payment for the license.

Please Select One:

(X) Pick Up

( ) Mail Permit (will be mailed to above address)

County Commissioners Office

Date 5-17-21 LL

9. Applicants

(1) Paul Heckles — 112 Little Harbor Way, Chestertown

Name — Residence

10 years — President — 908.307.8242 — Paul Heckles

Length of Residence in Kent Co. — Committee Title — Phone No. — (Signature of Applicant)

STATE OF MARYLAND

This certifies, that on the 17th day of May, 2021, before the subscriber, a Notary of the State of Maryland, personally appeared Paul Heckles the applicant(s) named in the a foregoing application, and made oath in the due form of law that the statements therein are true to the best of (his, their) knowledge and belief.

WITNESS my hand and official seal.

Jennifer M. Mulligan

My commission expires 4/7/2023

(SEAL)

JENNIFER M. MULLIGAN NOTARY PUBLIC KENT COUNTY, MD

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(2) Anne Forrest — 477 Sandpiper Court, ChesterTown

Name — Residence

2 years — Treasurer — 443.282.0861 — [signature]

Length of Residence in Kent Co. — Committee Title — Phone No. — (Signature of Applicant)

STATE OF MARYLAND

This certifies, that on the 17th day of May, 2021, before the subscriber, a Notary of the State of Maryland, personally appeared Anne Forrest the applicant(s) named in the a foregoing application, and made oath in the due form of law that the statements therein are true to the best of (his, their) knowledge and belief.

WITNESS my hand and official seal.

Jennifer M. Mulligan my commission expires 4/7/23

(SEAL)

JENNIFER M. MULLIGAN NOTARY PUBLIC KENT COUNTY, MD

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(3) Martha "Kay" MacIntosh — 6850 Pomona Rd., ChesterTown

Name — Residence

19 years — Exec. Director — 443.480.2363 — Martha "Kay" MacIntosh

Length of Residence in Kent Co. — Committee Title — Phone No. — (Signature of Applicant)

STATE OF MARYLAND

This certifies, that on the 17th day of May, 2021, before the subscriber, a Notary of the State of Maryland, personally appeared Martha "Kay" MacIntosh the applicant(s) named in the a foregoing application, and made oath in the due form of law that the statements therein are true to the best of (his, their) knowledge and belief.

WITNESS my hand and official seal.

Jennifer M. Mulligan

my commission expires 4/7/23

(SEAL)

JENNIFER M. MULLIGAN NOTARY PUBLIC KENT COUNTY, MD

STATEMENT OF OWNER OF PREMISES REQUIRED IN CONNECTION WITH
ALCOHOLIC BEVERAGES LAWS OF MARYLAND

(I, WE) HEREBY CERTIFY, That (I am, we are) the owner(s) of the property named in the a foregoing application made to the aforesaid licensing authority for said county under the Alcoholic Beverages Laws of Maryland and assent to the granting of the license applied for, and hereby authorize the State Comptroller, his duly authorized deputies, inspectors and clerks, the Board of License Commissioners (if any) of said county, its duly authorized agents and employees, and any peace officer of such county, to inspect and search, without warrant, the premises upon which the business is to be conducted, and any and all parts of the building in which said business is to be conducted, at any and all hours.

W Ingersoll Signature (s)

W.S. Ingersoll Print Name

STATE OF MARYLAND, County of Kent :

THIS CERTIFIES, that on the 17th day of May, 2021,
before the subscriber, a Notary of the State of Maryland, personally appeared W.S. Ingersoll and acknowledged the execution of the foregoing statement to be a true act.

WITNESS my hand and official seal.

Jennifer M. Mulligan
My commission expires 4/7/23

JENNIFER M. MULLIGAN NOTARY PUBLIC KENT COUNTY, MD

(SEAL)

Annotated Code of Maryland, ALCOHOLIC BEVERAGES
Current through 2018 Regular Session

The Board of License Commissioners of Kent County

P. THOMAS MASON
PRESIDENT
CHESTERTOWN, MD

RONALD H. FITHIAN
MEMBER
ROCK HALL, MD

ROBERT N. JACOB, JR.
MEMBER
WORTON, MD

R. Clayton Mitchell, Jr.
Kent County Government Center
400 High Street
Chestertown, Maryland 21620
TELEPHONE 410-778-7435

www.kentcounty.com/alcoholic-beverage

SHELLEY L. HELLER
COUNTY ADMINISTRATOR

THOMAS N. YEAGER
COUNTY ATTORNEY

J. TERRY OBER
INSPECTOR

SPECIAL CLASS "C" (PER DIEM) LICENSE AFFIDAVIT

In applying for this Special Class "C" (Per Diem) License it is important that you realize the responsibility that goes with the issuance of the license. All persons or groups using this license as authorized under Sections 4-1202, 4-1208, 4-1209, 24-503, 24-1301, 24-1307, and 24-1308 of the Alcoholic Beverages Article of the Annotated Code of Maryland are covered by all the laws regarding the sale and consumption of alcoholic beverages. Special care should be taken to be sure the following edicts are adhered to:

1. All persons must be 21 years of age or older to sell, purchase, to consume an alcoholic beverage.

2. All sales and the consumption of alcohol must stop promptly at 2:00 a.m.

3. No intoxicated person shall be served any alcoholic beverages.

4. No unnecessary noise or disturbance that could be a nuisance to the community shall occur.

5. The person(s) responsible for the function must see that order and decorum are kept at all times.

6. The application must be completed by three committee members; one member must be a Kent County resident.

7. License must be prominently displayed at the location where alcohol is being served. Failure to comply with the laws of the State of Maryland may make the responsible person(s) subject to a fine.

The issuance of this license may be issued to a religious, fraternal, civic, veterans', or charitable organization, association, club, or society; or hospital supporting organization. This license shall not be transferred or reassigned.

Cost of a Special Class "C" Per Diem License: **Beer $5.00, Beer and Wine $15.00, and Beer, Wine, and Liquor $25.00.** Make checks payable to: **The County Commissioners of Kent County**, along with the completed application.

Name of organization, club, etc. Main Street Historic Chestertown

Address 118 N. Cross Street

Name Kay MacIntosh (Please Print) Phone # 443-480-2363

Kay MacIntosh (Signature) Date 5-16-21

County Commissioners Office
Date 5-17-21 LC

THE COUNTY OF KENT IN THE PROVINCE OF MARYLAND

№ 4714

STATE OF MARYLAND
ALCOHOLIC BEVERAGE LICENSE
BOARD OF LICENSE COMMISSIONERS OF KENT COUNTY

CLASS A		**CLASS B**		**CLASS C**	
Beer, Wine, Liquor	______	Beer, Wine, Liquor	______	Beer, Wine, Liquor	______
Beer and Wine	______	Beer and Wine	______	**CLASS D**	
Beer	______	Beer	______	Beer, Wine, Liquor	______
Wine	______	Bed and Breakfast (BWL)	______	Beer	______
BWLT-Tasting	______	Country Inn (BWL)	______	Brewery (B)	______
Beer, Wine, Liquor	______	Brewery (B)	______		
Beer and Wine	______	Wine Shop and Lounge (W)	______		
Beer	______	*Caterer's Privilege*	______		
Wine	______	Other	______		

SPECIAL CLASS C ______ Beer X Beer and Wine ______ Beer, Wine, Liquor

Effective Date(s): **May 29, 2021** Cost: **$15.00**

****

This is to certify that: **Kay MacIntosh, Executive Director**
Paul Heckles, President
Anne Forrest, Treasurer

Corporate name: **Main Street Historic Chestertown**

is licensed by the STATE OF MARYLAND, to keep for sale and sell alcoholic beverages for the class indicated:

T/A:

Located: **200 Block of High Street, Chestertown, MD 21620**

This license is issued under Authority of the Alcoholic Beverages Article of the Annotated Code of Maryland.

This license continues in force, unless revoked or suspended, until the last day of the month ______ 2021

Cost of license ______ Registration no. ______

Issued the 26th day of May, 20 21

Patricia Merritt

Kent County Chief Finance Officer

A license holder shall frame the license under glass and display the license conspicuously in the licensed premises.

Revised 01/20

Alcoholic Beverage License Hearing
5/25/2021
County Commissioners Meeting

Item Summary:
Rodney Scruggs, Member
Lisa Scruggs, Member
Anne Kelso, Member
Watershed on High, LLC trading as Watershed Restaurant
Class B, Beer, Wine, and Liquor with Caterer's Privilege

ATTACHMENTS:

Description

04.29.21 Watershed on High Hearing Notice

The Board of License Commissioners of Kent County

P. THOMAS MASON
PRESIDENT
CHESTERTOWN, MD

RONALD H. FITHIAN
MEMBER
ROCK HALL, MD

ROBERT N. JACOB, JR.
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Kent County Government Center
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TELEPHONE 410-778-7435

www.kentcounty.com/alcoholic-beverage

SHELLEY L. HELLER
COUNTY ADMINISTRATOR

THOMAS N. YEAGER
COUNTY ATTORNEY

J. TERRY OBER, INSPECTOR
KENT ALCOHOL AND TOBACCO
ENFORCEMENT

NOTICE

Application has been made by members: Rodney Scruggs, Lisa Scruggs, and Anne Kelso representing Watershed on High, LLC trading as Watershed Restaurant for a Class B, Beer, Wine, and Liquor License with Caterer's Privilege on the premises known as:

Watershed Restaurant
337 High Street
Chestertown, MD 21620

which shall authorize the holder thereof to sell Beer, Wine, and Liquor at retail, at the place therein described, for on-premises consumption or elsewhere. A hearing on said application will be held by the undersigned in the County Commissioners' Hearing Room, R. Clayton Mitchell, Jr. Government Center, 400 High Street, Chestertown, MD on May 25, 2021, at 10:00 a.m. at which time any exceptions to the application will be heard.

By order of:

THE BOARD OF LICENSE COMMISSIONERS
FOR KENT COUNTY, MARYLAND

Sondra M. Blackiston bw

Sondra M. Blackiston
Clerk

PUBLISH KCN 05/06/21, 05/13/21

J. Terry Ober, Inspector, Kent Alcohol and Tobacco Enforcement and Sondra Blackiston, Clerk/ KATE Manager
5/25/2021
County Commissioners Meeting

Item Summary:
2020 - 2021 Legislative Update

ATTACHMENTS:

Description
05.25.21 Memo Board of License Commissioners New Alcoholic Laws
The 71 Day Report A Review of the 2020 Legislative Session
The 90 Day Report A Review of the 2021 Legislative Session
MOU By and Between ATC and Comptroller 2021-01-01

Commissioners' Office

Memo

To: Commissioners Mason, Fithian, and Jacob

From Sondra M. Blackiston, Clerk/KATE Manager
J. Terry Ober, Inspector, Kent Alcohol and Tobacco Enforcement

cc: Shelley L. Heller, County Administrator
Thomas N. Yeager, County Attorney

Date: May 25, 2021

Re: 2020 – 2021 Legislative Review: Alcoholic Beverages

Attached are excerpts of reports issued annually by the Department of Legislative Services, a review of the Legislation Session for 2020 and 2021, respectively, effecting Alcoholic Beverages (Local) and (Statewide).

<u>2020 Session:</u>
Alcohol and Tobacco Commission (ATC) – Clarifications:
Clarifying the authority, powers, and duties of officers and employees of the Field Enforcement Division in the Office of the Executive Director of the Alcohol and Tobacco Commission.

HB 902 Durational Residency Requirements:
Implementation of United States Supreme Court Decision. Many alcoholic beverages licenses and permits in Maryland law include residency requirements like those struck down in the decision. To maintain consistency of State law while respecting the federal decision, House Bill 902 (Ch. 462) codifies the court's decision to Maryland law by repealing various requirements that an alcoholic beverage license applicant or license holder be a registered voter, taxpayer, or resident of jurisdiction for a period of time, generally one or more years, as a condition for obtaining or maintaining a license. Instead, the Act generally requires the applicant or licensee to be a resident of the State or a local jurisdiction at the time of application and during the license period. The Act applies to various State- and locally issued alcoholic beverage licenses and permits.

Kent County Alcohol Act of 2020: Senate Bill 792/House Bill 777 established a Class C multiple event beer, wine, and liquor license in the county for events held by a volunteer fire company.

The Acts also alters the hours of sale for Class B wine shop and lounge licenses in the County (merely housekeeping) and authorizes the Board of License Commissioners to issue a refillable container permit for draft beer to specified alcoholic beverages license holders.

Jurisdictional trends include repealing or amending licensing and application requirements i.e., proximity of transfers, notice of application, and petition of support. Expansion of specific licenses and permits i.e., Barbershop and Beauty Salon license, Gift Basket permit, entertainment facilities and grounds, and "marketplace" also passed as local bills.

2021 Session:
Statewide Alcoholic Beverages Regulations, Retail Sale or Delivery for Off-premises Consumption. On March 19, 2020, in response to the spread of COVID-19 the Governor issued an executive order expanding alcoholic beverage delivery and carryout services. The order allowed licensed establishments to deliver or sell alcoholic beverages for off-premises consumption despite restrictions inherent in their licenses (mixed drinks to-go, curbside pickup, and delivery). The order remains effective until after the termination of the state of emergency and rescission of the proclamation of a catastrophic health emergency.

Senate Bill/205/ House Bill12 (both passed) authorize local alcoholic beverages licensing boards to adopt regulations authorizing specified license holders to provide alcoholic beverages by delivery or sale for off-premises consumption on a temporary basis. A local licensing board must weigh the need to promote economic recovery for small businesses in the wake of the COVID-19 pandemic and the need to protect public health and welfare. Local licensing boards may not increase a license fee but may set a limit on the amount of alcohol that may be sold or delivered in a single transaction. The main purpose of the bill was to help business maintain economic health during the pandemic.

Jurisdictional trends include repealing or amending licensing fees or alternative payments or cycle of issuance, and retail delivery. Continued expansion of specific licenses and permits i.e., Barbershop and Beauty Salon license, Gift Basket permit, art facilities or establishments, movie theatres, luxury license, license limits (quotas/proximity) also passed as local bills.

Staff recommends further review of industry trends and consumer preferences as it relates to legislative actions that may enhance existing and emerging business models and generate revenue for our local businesses. Any amendments to the Kent County Land Use Ordinance that effect alcohol licensing and regulation should be included in the Kent County Alcohol Act of 2022.

THE 71 DAY REPORT

A Review of the
2020 Legislative Session

Department of Legislative Services
Maryland General Assembly

The Department of Legislative Services
General Assembly of Maryland
Prepared this document

For further information concerning this document contact:

Library and Information Services
Office of Policy Analysis
Department of Legislative Services
90 State Circle
Annapolis, Maryland 21401

Baltimore Area: 410-946-5400 ● Washington Area: 301-970-5400
Other Areas: 1-800-492-7122, Extension 5400
TTY: 410-946-5401 ● 301-970-5401
TTY users may also use the Maryland Relay Service
to contact the General Assembly.

Email: libr@mlis.state.md.us
Home Page: http://dls.maryland.gov

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Ryan Bishop
Director

May 2020

The Honorable Bill Ferguson, President of the Senate
The Honorable Adrienne A. Jones, Speaker of the House of Delegates
Members of the General Assembly

Ladies and Gentlemen:

We are pleased to present you with *The 71 Day Report – A Review of the 2020 Legislative Session.*

As you know, due to the public health crisis surrounding the COVID-19 pandemic, the Maryland General Assembly adjourned early on March 18, 2020. In April 2020, the department published the *2020 Session Major Issues Review*, which provided an overview of the fiscal 2021 budget as well as major issues addressed by the General Assembly in the 2020 session. *The 71 Day Report* discusses additional legislation considered by the General Assembly that was not covered in the *2020 Session Major Issues Review.*

The 71 Day Report is divided into multiple parts, each dealing with a major policy area. Each part contains a discussion of the majority of bills passed in that policy area, including comparisons with previous sessions and current law, background information, as well as a discussion of significant bills that did not pass. Bills passed by the General Assembly that were subsequently vetoed by Governor Lawrence J. Hogan, Jr. for policy reasons or as a result of the economic challenges resulting from the COVID-19 pandemic are also discussed in the report.

We hope this report will be of assistance to you, and we remain available through telework to assist you however you may need during this difficult time.

Sincerely,

Victoria L. Gruber
Executive Director
vicg@mlis.state.md.us

Ryan Bishop
Director
ryan.bishop@mlis.state.md.us

VLG:RB/mrm

Legislative Services Building •90 State Circle • Annapolis, Maryland 21401-1991
410-946-5500 • FAX 410-946-5508 • TDD 410-946-5501
301-970-5500 • FAX 301-970-5508 • TDD 301-970-5401
Other areas in Maryland 1-800-492-7122

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provide specified products and services. For a further discussion of these Acts, see the subpart “Public Service Companies” of this part in this *71 Day Report*.

Employment Safety Standards

House Bill 722 ***(Ch. 308)*** requires the Commissioner of Labor and Industry, in consultation with the Maryland Occupational Safety and Health (MOSH) Advisory Board, to develop and adopt regulations by October 1, 2022, which require employers to protect employees from heat-related illness caused by heat stress. Before the commissioner begins the process for developing and adopting the regulations, MOSH must hold informational hearings in four different geographical areas of the State to obtain input from interested parties. In developing the regulations, the commissioner must consider specified national standards. By January 1, 2022, the commissioner must report to specified committees of the General Assembly on the implementation of the Act.

Reporting Requirements

House Bill 835 ***(Ch. 336)*** requires MDL to develop a list of any federal or State incentive programs available to an employer who hires and trains formerly incarcerated individuals. MDL must make the list accessible on the main page of its website.

House Bill 1141 ***(Ch. 432)*** requires MDL to report to the General Assembly, by September 30, each year on the progress in achieving the purposes of the Apprenticeship Career Training Pilot Program for Formerly Incarcerated Individuals for the immediately preceding calendar year. The report must also include the number and types of employers that received grants, the grant amount by employer, and the total number of apprentices and number of apprentices by employer that participated in the program.

Alcoholic Beverages (Statewide)

Implementation of United States Supreme Court Decision

In June 2019, the U.S. Supreme Court decided *Tennessee Wine and Spirits Retailers Ass’n v. Thomas*, 588 U.S. ___, 139 S. Ct. 2449 (2019). In the case, the court struck down a residency requirement to obtain and maintain an alcoholic beverages license in Tennessee. Specifically, Tennessee had required an applicant for a retail liquor store license to have lived in the state for 2 years as a qualification for receiving a license, while an applicant for license renewal must have lived in the state for 10 years. The court found that this kind of residency requirement violates the Commerce Clause of the U.S. Constitution.

Many alcoholic beverages licenses and permits in Maryland law include residency requirements similar to those struck down in the *Thomas* decision. In order to maintain consistency of State law while respecting the federal decision, ***House Bill 902*** ***(Ch. 462)*** codifies the court’s decision as it would apply to Maryland law by repealing various requirements that an alcoholic beverages license applicant or license holder be a registered voter, taxpayer, or resident of a jurisdiction for a period of time, generally one or more years, as a condition for obtaining or maintaining a license. Instead, the Act generally requires the applicant or licensee to be a resident, voter, or taxpayer of the State or a local jurisdiction at the time of application and during the license period. The Act applies to various State- and locally issued alcoholic beverages licenses and permits.

Other legislation relating to the regulation of alcoholic beverages at the State level was addressed in the *2020 Session Major Issues Review*.

Alcoholic Beverages (Local)

Legislation

City of Annapolis

Club Public Event Permit: ***Senate Bill 503/House Bill 844 (Chs. 338 and 339)*** establish a club public event permit and authorize the board of license commissioners to issue the permit to holders of a Class C alcoholic beverages license. The permit authorizes a club to sell alcoholic beverages that are allowed under the club's Class C license during a public event, at the place described in the license, to an individual who is not a member of the club or the guest of a member for on-premises consumption. The board may approve up to 12 public events per permit holder in a calendar year.

Anne Arundel County

Board of License Commissioners

Meetings: ***Senate Bill 163/House Bill 285 (Chs. 152 and 153)*** require the board of license commissioners to (1) publish a meeting agenda no later than one week before the hearing; (2) make each open meeting available to the public with live video and audio streaming; (3) publish the minutes of each open meeting, as specified, no later than one month after the meeting; and (4) archive and store recordings of each open meeting and records of the minutes of each opening meeting.

Staff and Compensation: ***Senate Bill 221/House Bill 758 (Chs. 312 and 313)*** require the board of license commissioners to employ one full-time executive director and one full-time administrator and specify the pay grades for these positions. The Acts also increase, from one to two, the number of full-time secretaries the board must employ.

In addition, ***Senate Bill 141/House Bill 461 (Chs. 213 and 214)*** increase the salaries of specified employees of the board.

Licenses and Applications

Creditor Claims: ***Senate Bill 143*/*House Bill 638* (Chs. 283 and 284)** alter the requirements for the approval of alcoholic beverages license transfers. The board of license commissioners is not bound by a specific statutory limitation if a creditor's claim involves indebtedness incurred through the purchase or sale of alcoholic beverages in connection with the licensed premises. Additionally, the Acts authorize the board, if the board determines that a properly filed claim is outside its expertise, to approve an application for the transfer of a license or an application for a new license if there is (1) an amicable resolution of the claim or (2) a judicial determination on the claim.

License Transfers: ***House Bill 536* (Ch. 601)** authorizes the board of license commissioners to allow an approved applicant to transfer an alcoholic beverages license to certain other premises within one-half mile of the premises for which the license was originally issued within one year after final approval by the board and in accordance with existing statutory provisions and applicable regulations on license transfers.

Notice of Application: ***Senate Bill 180*/*House Bill 329* (Chs. 170 and 171)** authorize the board of license commissioners to post a completed alcoholic beverages license application online at least 10 days before the date of the hearing on the application instead of posting this notification in a newspaper as is currently required. The board must require an applicant to post a suitable notice in a conspicuous place at the location described in the application for at least 10 days.

Assessment Districts: ***Senate Bill 52*/*House Bill 138* (Chs. 69 and 70)** clarify that the board of license commissioners may consider, when issuing a Class A, Class B, or Class D off-sale alcoholic beverages license, whether an establishment is located in an assessment district in which the ratio of Class A, Class B, or Class D off-sale licenses per individual is more or less than one license per 4,000 individuals.

Petition of Support: Generally, an application to a local licensing board in the State for an alcoholic beverages license must include a petition of support signed by at least 10 residents who own real estate in and are registered voters of the precinct in which the potential licensed establishment is located. ***Senate Bill 57*/*House Bill 330* (Chs. 599 and 600)** repeal the petition of support requirement for alcoholic beverages license applications in Anne Arundel County.

Specific Licenses and Permits

Barbershop and Beauty Salon License: ***Senate Bill 361* (Ch. 551)** establishes a barbershop and beauty salon beer and wine alcoholic beverages license and authorizes the board of license commissioners to issue the license to the holders of specified beauty salon or barbershop permits. A license holder may provide up to 12 ounces of beer or 5 ounces of wine by the glass for on-premises consumption only while performing activities generally related to beauty salons or barbershops or while the customer is attending a fundraising event at the barbershop or beauty salon. The license holder may provide beer and wine for on-premises consumption during normal business hours but not after 9:00 p.m.

Class B and Class H Licenses: ***Senate Bill 37*** ***(Ch. 503)*** requires a license holder, before each renewal of specified Class B or Class H alcoholic beverages licenses, to attest in a sworn statement that the gross receipts from food sales for the 12-month period immediately preceding the application for renewal were equal to at least 51% of the gross receipts from the sale of food and alcoholic beverages sold for on-premises consumption.

Entertainment Facilities: ***Senate Bill 126*** ***(Ch. 626)*** alters the manner in which the holder of an entertainment facility license may sell beer, wine, and liquor and expands the scope of authorized entertainment activities that may be performed in the licensed facility. The Act also authorizes the board of license commissioners to allow the holder of an entertainment facility license to sell alcoholic beverages for promotional events in an area adjacent to the entertainment facility if that area is both under controlled access of the license holder and is a parking lot, picnic ground, building, or terrace controlled by the license holder. Additionally, the Act authorizes, rather than requires, the board to revoke an entertainment facility license for displays of nudity and sexual acts at the entertainment facility, as specified.

Gift Basket Permits: ***Senate Bill 525*****/*****House Bill 714*** ***(Chs. 306 and 307)*** establish a gift basket permit and authorize the board of license commissioners to issue the permit to persons whose primary business is the sale and delivery of flowers, as specified. The board may not issue the permit for use on the premises of a chain store, supermarket, or discount house. The total annual sales from alcoholic beverages cannot exceed 10% of the annual gross sales of the permit holder.

Small Yacht Club License: ***Senate Bill 239*****/*****House Bill 554*** ***(Chs. 250 and 251)*** establish the Class C (Small Yacht Club) license and authorize the board of license commissioners to issue the license to a small yacht club that meets specified requirements. A license holder may sell beer, wine, and liquor to yacht club members and guests accompanied by members on the yacht club premises. The license holder may purchase alcoholic beverages from a retail dealer.

Baltimore City

Class A, A-2, and A-7 Licenses: ***Senate Bill 69*** ***(Ch. 510)*** (1) extends the date after which the board of license commissioners may no longer issue a Class A-7 license from July 1, 2020, to June 30, 2022, and makes a conforming change; (2) prohibits a Class A-7 license from being issued in the 43rd legislative district; (3) alters the hours of sale for a Class A-7 license to be from 10 a.m. to midnight; and (4) requires the holder of Class A beer, wine, and liquor license; a Class A-2 beer, wine, and liquor license; or Class A-7 beer, wine, and liquor license to operate a digital surveillance system on the licensed premises. In consultation with the appropriate authorities, the board must adopt regulations relating to digital surveillance on or before December 31, 2020.

Neighborhood Licenses and Restrictions

Class B and Class C Beer, Wine, and Liquor Licenses: ***House Bill 954*** ***(Ch. 389)*** makes a number of changes to beer, wine, and liquor licenses in specific neighborhoods of

Baltimore City. The Act (1) authorizes the exchange of a Class B beer, wine, and liquor license for a Class B-D-7 beer, wine, and liquor license in a specified area of the Mount Vernon-Belvedere neighborhood if the applicant executes a memorandum of understanding (MOU) with the Mount Vernon-Belvedere Improvement Association; (2) alters the hours of sale for a Class B-D-7 license holder in a specified geographical area in central Baltimore; and (3) authorizes the board of license commissioners to issue a Class C beer, wine, and liquor license in a specified area in the Charles North neighborhood if the applicant executes an MOU with the Charles North Community Association.

Class B Beer, Wine, and Liquor License Exchange: ***Senate Bill 328*** ***(Ch. 390)*** authorizes the exchange of a Class B beer, wine, and liquor license for a Class B-D-7 license if (1) the licensed premises is in an area bounded by the unit block of West Preston Street, the 1200 block of North Charles Street, the 1200 block of Morton Street, and the unit block of West Biddle Street and (2) the applicant executes an MOU with the Mount Vernon-Belvedere Improvement Association. The holder of an exchanged license may provide outdoor table service. In addition, the board may condition the issuance or renewal of the license on the substantial compliance of the applicant with the MOU.

Class B-D-7 License: ***Senate Bill 181*/*House Bill 168*** ***(Chs. 91 and 92)*** clarify that the hours of sale for a Class B-D-7 license located in specified areas in Baltimore City bounded by Liberty Heights Avenue, Northern Parkway, Druid Park Drive, and Wabash Avenue are from 9 a.m. to 9 p.m.

In addition, ***Senate Bill 73*/*House Bill 228*** ***(Chs. 112 and 113)*** authorize the board of license commissioners to issue a Class B-D-7 license in the 5400 block of Harford Road in the 45th alcoholic beverages district under specified conditions.

Class D License: ***House Bill 924*** ***(Ch. 372)*** prohibits the board of license commissioners from charging a fee for a temporary license permit extension under specified conditions. In addition, the Act (1) authorizes the board to waive distance restrictions for license transfer applicants under specified circumstances in the area bounded by Fagley Street, Gough Street, Grundy Street, and Chestle Place and (2) alters the geographic area within which the board may issue a Class B-D-7 license in the Old Goucher Revitalization District.

Carroll County

Hours and Days for Consumption and Sale: ***Senate Bill 238*/*House Bill 571*** ***(Chs. 258 and 259)*** alter the hours of sale for specified types of Class B, C, D, and H alcoholic beverages licenses in the county.

Dorchester County

License Issuance: ***Senate Bill 100/House Bill 24*** ***(Chs. 30 and 31)*** clarify that the board of license commissioners, not the Dorchester County Council, is authorized to issue a Class C beer, wine, and liquor license. In addition, the Acts authorize the board to issue a Class C beer, wine, and liquor license to a nonprofit operating on the premises known as Governors Hall at Sailwinds Park.

Frederick County

Repeal of License Quotas: ***Senate Bill 215/House Bill 145*** ***(Chs. 78 and 79)*** repeal the quota on the number of Class B (on-sale) beer and Class B (on-sale) beer and wine licenses the board of license commissioners may issue in any election district.

Cinema/Theater License: ***House Bill 322*** ***(Ch. 167)*** authorizes the holder of a Class CT (cinema/theater) (on-sale) beer, wine, and liquor license to sell beer, wine, and liquor for on-premises consumption in a lobby, screening room, or performance hall of a for-profit cinema or theater with at least one screening room or performance hall. The Act also repeals the limitation that sales of beer, wine, and liquor may be consumed only in a designated area of the lobby and only for 45 minutes before a movie or theater performance starts.

Municipal Golf Course License: ***House Bill 1062*** ***(Ch. 416)*** establishes a Class M-G beer, wine, and liquor license and authorizes the board of license commissioners to issue the license for use at a municipal golf course operated by a municipal golf course manager or a golf course manager under a management agreement with the City of Frederick. The board may issue the license to a manager of a municipal golf course. The license authorizes the licensee to sell beer, wine, and liquor for on-premises consumption on the land and in the facilities used for golfing purposes on Monday through Saturday from 6 a.m. to 10 p.m. and on Sunday from 10 a.m. to 10 p.m.

Weinberg Center License: ***Senate Bill 214/House Bill 146*** ***(Chs. 80 and 81)*** allow alcoholic beverages to be consumed anywhere on the licensed premises at the Weinberg Center for the Arts, as specified.

Garrett County

Alcoholic Beverages Act of 2020: ***Senate Bill 643*** ***(Ch. 573)*** authorizes a holder of a manufacturer's license to sell and deliver alcoholic beverages to a licensed retail establishment on an Election Day. The Act also authorizes the board of license commissioners to issue a Class BDR (deluxe restaurant) beer, wine, and liquor license to the holder of any Class B license issued by the board or to a holder of a specified license issued by a local licensing board of a different jurisdiction and alters the minimum seating requirements for the license. Finally, the Act authorizes the board to issue a refillable container permit for wine.

Harford County

On-sale License Record Keeping and Enforcement: An alcoholic beverages license holder with an on-sale privilege must keep complete and accurate books of account of daily receipts and expenditures and procure vouchers or purchase slips for all alcoholic beverages, food, and other items bought for sale. ***Senate Bill 496/House Bill 963*** ***(Chs. 391 and 392)*** require these records to be kept at the location designated in the license or another location in the county and, on at least five days' notice, make the records available for inspection by the board of license commissioners or a designee of the board. The Acts also alter the penalty provision relating to violations committed by license holders with on-sale privileges. If charges at a hearing are sustained, the board (1) must impose a fine of between $250 and $2,000 and (2) may suspend or revoke the license holder's license immediately.

Place of Worship Restrictions – Exemption and Waivers: Generally, the board of license commissioners may not issue an alcoholic beverages license for an establishment that is located within 300 feet of a place of worship. ***House Bill 1318*** ***(Ch. 458)*** exempts breweries and distilleries in a municipality from this distance restriction. The Act also authorizes the board to waive the distance restrictions from a place of worship and issue a license on a case-by-case basis, as specified.

Specific Licenses

Class C-3 License: A social organization that may be issued a six-day or seven-day Class C-3 beer, wine, and liquor license must meet specified membership requirements. ***Senate Bill 379/House Bill 972*** ***(Chs. 396 and 397)*** alter the membership requirements to include active or retired first responders rather than only policemen.

Class GCR (Golf Course Restaurant): ***Senate Bill 376/House Bill 971*** ***(Chs. 394 and 395)*** establish a class GCR (Golf Course Restaurant) beer, wine, and liquor license in the county. The board of license commissioners may issue a Class GCR license to the owner or operator of a golf course that (1) is open to the public; (2) is operated for profit; (3) has a minimum of 18 holes; and (4) has a kitchen facility that has been approved by the appropriate local governmental unit.

Class MT (Movie Theater) License: ***Senate Bill 385/House Bill 923*** ***(Chs. 370 and 371)*** prohibit the board of license commissioners from issuing more than five Class MT beer, wine, and liquor licenses to the same person. In addition, the Acts increase the annual license fee for a Class MT license from $500 to $1,000.

Hotel Lobby License: ***Senate Bill 375/House Bill 864*** ***(Chs. 350 and 351)*** establish a hotel lobby license and authorize the sale of beer, wine, and liquor from a store in the hotel lobby to patrons of the hotel for on-premises consumption. The board of license commissioners may issue a hotel lobby license for use by a hotel that does not have a restaurant and to sell beer, wine, and liquor from a store in the hotel lobby to patrons of the hotel for on-premises consumption.

Kent County

Kent County Alcohol Act of 2020: ***Senate Bill 792/House Bill 777*** ***(Chs. 322 and 323)*** establish a Class C multiple event beer, wine, and liquor license in the county for events held by a volunteer fire company. The Acts also alter the hours of sale for Class B wine shop and lounge licenses in the county and authorize the board of license commissioners to issue a refillable container permit for draft beer to specified alcoholic beverages license holders.

Montgomery County

Hours of Consumption: Generally, an individual may not consume alcoholic beverages in a licensed premises in the county from 2 a.m. to 6 a.m. on any day. ***House Bill 298*** ***(Ch. 157)*** alters the hours of consumption for specified alcoholic beverages licenses in the county. Unless otherwise provided, an individual may consume alcoholic beverages in a licensed premises only during the hours of sale permitted under the license of the premises. The Act also clarifies that a license holder must remove all containers of alcoholic beverages from the tables and bar service area in the licensed premises at the end of the license holder's permitted hours of sale. In addition, the Act repeals the board's authorization to issue a specified permit allowing a license holder to sell alcoholic beverages for on-premises consumption until 2 a.m. on January 1.

Consumption Only Marketplace License: ***House Bill 377*** ***(Ch. 186)*** establishes a consumption only marketplace license in the county. The board of license commissioners may issue the license to the developer of a commercial shopping center if the shopping center meets specified criteria. The license authorizes the holder to allow the consumption of beer, wine, and liquor in a designated outdoor area located within the commercial shopping center if the alcohol is purchased at a certain establishment, as specified.

Catering Extension: ***House Bill 297*** ***(Ch. 156)*** expands the types of licenses to which the board of license commissioners may issue a catering extension to include the holder of a Class D beer, wine, and liquor license.

Town of Kensington: ***House Bill 860*** ***(Ch. 349)*** makes numerous changes to the manner in which alcoholic beverages licenses are regulated in the Town of Kensington. Among other changes, the Act extends the authorized hours of operation of specified licenses, alters requirements for applicants of specified licenses, and increases the number of authorized licenses.

Prince George's County

Alcohol Awareness: Generally, for a premises that is licensed to sell alcoholic beverages with an off-sale privilege or a premises that is licensed with on-sale privileges and sells alcoholic beverages directly to a customer from a bar or service bar, the license holder or specified employees must complete training in an approved alcohol awareness program in order to obtain and retain their alcoholic beverages license. For licensed premises in Prince George's County, ***House Bill 288*** ***(Ch. 155)*** requires an alcoholic beverages license holder or an individual designated by the license holder who is employed in a supervisory capacity to be certified by an approved alcohol awareness program and be present on the licensed premises at all times when alcoholic beverages may be sold. For a first offense, a license holder who violates these requirements is subject to a $250 fine; for a second offense, a $500 fine; and for each subsequent offense, a fine of up to $1,000 or a suspension or revocation of the license, or both.

Carillon Development: The Carillon Development is a large, multiphase mixed-development area located near the Arena Drive exit of the Capital Beltway in the county. ***House Bill 845*** ***(Ch. 340)*** authorizes the board of license commissioners to issue up to

10 Class B-DD (Development District) licenses to restaurants located within the Carillon Development.

Queen Anne's County

License Applications

Financial Interest: An application for an alcoholic beverages license must state whether the applicant has a financial interest in the business to be conducted under the license and requires other disclosures of financial interest. ***House Bill 463*** ***(Ch. 215)*** defines "financial interest" as it applies to applications for alcoholic beverages licenses in the county as an applicant who is the owner of a controlling interest in a place of business for which a license has been applied for or issued. The Act also defines "controlling interest" as the ownership or control of sufficient shares or interest in a business to allow for an exercise of control over that business.

Petition of Support: ***House Bill 467*** ***(Ch. 217)*** repeals the requirement that applicants for an alcoholic beverages license include a petition of support as a part of the application.

Washington County

Wineries – Special Event Permits: ***House Bill 789*** ***(Ch. 609)*** reauthorizes the board of license commissioners to issue a special event permit to a holder of a Class 3 winery license or a Class 4 limited winery license. The permit authorizes the holder to sell beer, wine produced by the holder, sparkling wine that is naturally or artificially carbonated, and liquor for on-premises consumption at an event for which the entire licensed premises has been rented. The license holder must purchase the beer, sparkling wine, or liquor intended for sale under the permit from a licensed retailer. A license holder must also keep all receipts of purchase of alcoholic beverages for one year after the date of purchase. In addition, a license holder that intends to use the permit must notify the board at least one week before the event is to occur and may use the permit up to 32 times in a year.

Wicomico County

Board of License Commissioners: ***House Bill 1319*** ***(Ch. 459)*** increases, from three to five, the number of members that the Governor must appoint to the board of license commissioners and requires each member of the board to be nominated by the Wicomico County Executive. In addition, the Act requires three members of the board to be residents of the City of Salisbury, nominated jointly by the county executive and the Mayor of Salisbury. The Act also requires that the terms of the members be staggered as required by the terms provided for the members of the board on July 1, 2020.

BRIAN E. FROSH
ATTORNEY GENERAL

ELIZABETH F. HARRIS
CHIEF DEPUTY ATTORNEY GENERAL

CAROLYN A. QUATTROCKI
DEPUTY ATTORNEY GENERAL

SANDRA BENSON BRANTLEY
COUNSEL TO THE GENERAL ASSEMBLY

KATHRYN M. ROWE
DEPUTY COUNSEL

JEREMY M. MCCOY
ASSISTANT ATTORNEY GENERAL

DAVID W. STAMPER
ASSISTANT ATTORNEY GENERAL

THE ATTORNEY GENERAL OF MARYLAND

OFFICE OF COUNSEL TO THE GENERAL ASSEMBLY

September 25, 2019

The Honorable Jason C. Gallion
414 James Senate Office Building
Annapolis, Maryland 21401-1991

Dear Senator Gallion:

You have asked for advice concerning the validity of durational residency requirements applicable to alcoholic beverages licenses in the State in light of the decision in *Tennessee Wine and Spirits Retailers Association v. Thomas*, 139 S. Ct. 2449 (2019). It is my view that the existing durational residency requirements are unconstitutional.

Alcoholic Beverages Article ("AB"), § 4-109(a)(4) requires that an applicant for an alcoholic beverage license has been a resident of the county where the applicant proposes to operate under the license for at least two years immediately before filing the application. In the recent case of *Tennessee Wine and Spirits Retailers Association v. Thomas*, 139 S. Ct. 2449 (2019), which involved a Tennessee law that required an applicant for an initial alcoholic beverages license to have been a resident of the State for two years, the Court held that the durational residency requirement violated the Commerce Clause of the United States Constitution.[1] The Court concluded that the durational residence requirement was facially discriminatory and thus could be upheld only on a showing that it was narrowly tailored to advance a legitimate local purpose. Neither the Court nor the parties believed that the law could meet that test, but the State argued that the law could be upheld under Section 2 of the Twenty First Amendment to the United States Constitution.[2]

After examining the history leading up to the Eighteenth Amendment and Twenty-irst Amendments, the Court stated that where State laws burden interstate commerce, Section 2 protects only those that "serve a State's legitimate § 2 interests." It further stated that state laws aimed at giving a competitive advantage to in-state businesses do not meet that test. The Court

[1] Tennessee also had one provision that precluded renewal of a license unless the applicant had resided in the State for ten years, and one that provided that a corporation could not get a license unless all of its stockholders were residents of the State. No party in the case defended these provisions before the Supreme Court.

[2] "The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited."

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410-946-5600 · 301-970-5600 · FAX 410-946-5601 · TTY 410-946-5401 · 301-970-5401

expressly rejected the argument that this limitation applied only to discrimination against out-of-state products and producers, but not to state laws that regulate in-state alcohol distribution. Moreover, while recognizing that the Court had spoken approvingly of the three-tiered system in *Granholm v. Heald*, 544 U.S. 460 (2005), the Court stated that "it did not suggest that § 2 sanctions every discriminatory feature that a State may incorporate into its three-tiered scheme," and that durational residency was "not an essential feature of a three-tiered scheme." The Court concluded that whether a statute was protected by § 2 depended on "whether the challenged requirement can be justified as a public health and safety measure or on some other legitimate nonprotectionist ground."

Describing the durational residency requirement as having "at best a highly attenuated relationship to public health or safety," the Court rejected all of the state's proposed defenses, including the need to ensure that retailers are amenable to the direct process of state courts, which could be addressed by requiring nonresidents to designate an in-state agent or consent to process in Tennessee court and difficulties in determining fitness for licensure, which could be addressed by background checks and other means. In light of this holding, it is highly unlikely that Maryland's two year durational residency requirement could be upheld against challenge.

Sincerely,

Kathryn M. Rowe
Assistant Attorney General

KMR/kmr
gallion02

THE 90 DAY REPORT

A Review of the 2021 Legislative Session

Department of Legislative Services
Maryland General Assembly

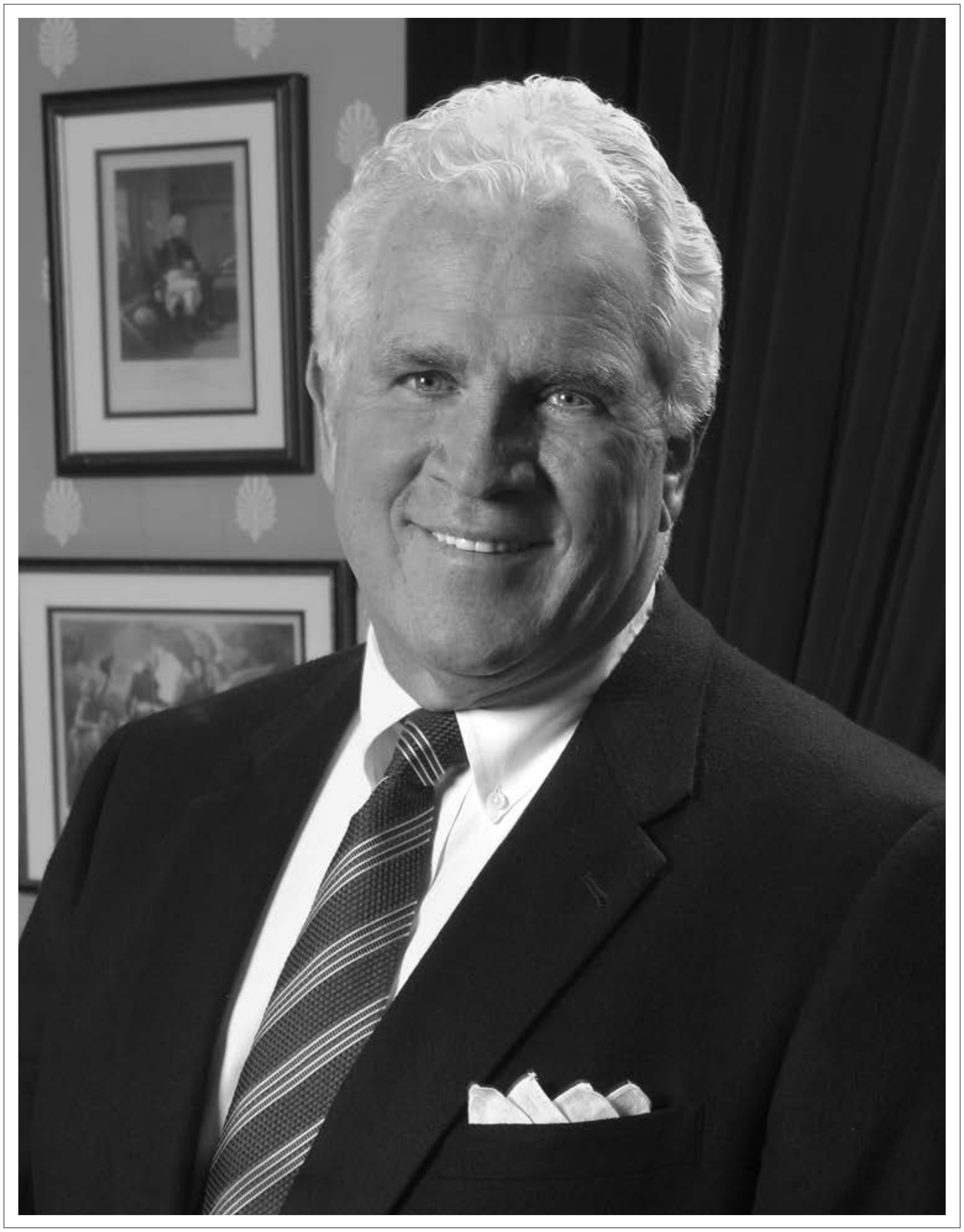
The Department of Legislative Services
General Assembly of Maryland
Prepared this document

For further information concerning this document contact:

Library and Information Services
Office of Policy Analysis
Department of Legislative Services
90 State Circle
Annapolis, Maryland 21401

Baltimore Area: 410-946-5400 ● Washington Area: 301-970-5400
Other Areas: 1-800-492-7122, Extension 5400
TTY: 410-946-5401 ● 301-970-5401
TTY users may also use the Maryland Relay Service
to contact the General Assembly.

Email: libr@mlis.state.md.us
Home Page: http://dls.maryland.gov



The staff of the Department of Legislative Services (DLS) dedicate this *90 Day Report* to Senate President Thomas V. Mike Miller, Jr. DLS staff join the many in the State who are mourning the loss of President Miller and he will be greatly missed. We will always be grateful for President Miller's leadership, his kindness, and for his unwavering support of the nonpartisan staff in the department.

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Ryan Bishop
Director

April 16, 2021

The Honorable Bill Ferguson, President of the Senate
The Honorable Adrienne A. Jones, Speaker of the House of Delegates
Members of the General Assembly

Ladies and Gentlemen:

We are pleased to present you with *The 90 Day Report – A Review of the 2021 Legislative Session.*

The 90 Day Report is divided into 12 parts, each dealing with a major policy area. Each part contains a discussion of the majority of bills passed in that policy area, including background information and comparisons to current law, as well as a discussion of significant bills that did not pass. Part A contains information relating to the operating budget, capital budget, and aid to local governments.

We trust that this report will be a useful source of information for you. The department's report on the fiscal effects of legislation from the 2021 session will be issued after the Governor has taken final action on all bills.

Sincerely,

Executive Director
victoria.gruber@mlis.state.md.us

Ryan Bishop
Director
ryan.bishop@mlis.state.md.us

VLG:RB/mrm

Legislative Services Building •90 State Circle • Annapolis, Maryland 21401-1991
410-946-5500 • FAX 410-946-5508 • TDD 410-946-5501
301-970-5500 • FAX 301-970-5508 • TDD 301-970-5401
Other areas in Maryland 1-800-492-7122

Contents

Lay Offs

The Economic Stabilization Act establishes a quick-response program to provide both employers and employees with services to help mitigate the impact on employees due to a reduction in operations. ***Senate Bill 801***/***House Bill 1154*** ***(both passed)*** alter definitions, thresholds, and notification requirements for employers under the Economic Stabilization Act. Among the changes, the bills establish two exemptions from the notice requirement, specify that the chief local elected official needs to be notified (rather than all elected officials), and clarify that a seller and a purchaser must provide notice when all or part of a business is sold.

Statewide Alcoholic Beverages

Regulation of Alcoholic Beverages

Retail Sale or Delivery for Off-premises Consumption

On March 19, 2020, in response to the spread of COVID-19 in the State and citing the protection of public health by furthering the goals of social distancing and promotion of compliance with isolation and quarantine protocols, the Governor issued an executive order expanding alcoholic beverage delivery and carryout services. The order allowed licensed establishments to deliver or sell alcoholic beverages for off-premises consumption despite any restrictions inherent in their licenses. The order remains effective until after the termination of the state of emergency and rescission of the proclamation of a catastrophic health emergency.

Senate Bill 205/***House Bill 12*** ***(both passed)*** authorize local alcoholic beverages licensing boards to adopt regulations authorizing specified license holders to provide alcoholic beverages by delivery or sale for off-premises consumption on a temporary basis. In considering whether to adopt these regulations, a local licensing board must weigh the need to promote economic recovery for small businesses in the wake of the COVID-19 pandemic and the need to protect public health and welfare.

The bills limit an alcoholic beverages license holder to delivering or selling alcoholic beverages that are authorized under its license. Local licensing boards may not increase a license fee or otherwise charge extra for the expanded privileges authorized under the bills, but may set a limit on the amount of alcohol that may be sold or delivered in a single transaction.

Senate Bill 205/***House Bill 12*** also require the Alcohol and Tobacco Commission (ATC) and the Maryland Department of Health (MDH) jointly to conduct a study on the impact of the expansion of access to alcohol under the bills and the Governor's Declaration of State of Emergency and Existence of Catastrophic Health Emergency – COVID-19. ATC and MDH must report to the General Assembly on the findings of the study by December 31, 2022. The bills terminate on June 30, 2023.

Manufacturer's Licenses and Off-site Permits

Senate Bill 821*/*House Bill 1232* (both passed)** are emergency bills that make various temporary changes to the regulation of alcoholic beverage manufacturers in the State. Broadly, the bills significantly alter provisions on off-site and special event permits and alter the licensing fees and privileges of several manufacturer's licenses. With respect to permits, the bills repeal specified manufacturer's permits and establish a manufacturer off-site permit and a brewery special event permit. With respect to licensing, the bills alter the fee structure for most manufacturer's licenses, authorize most manufacturers to sell and deliver their own alcoholic beverage products to consumers if specified procedures are followed, alter the limitations of the Class 7 limited beer wholesaler's license, and alter the privileges associated with Class 1 distillery licenses and Class 8 farm-brewery licenses. The consumer delivery provisions in particular are intended to help manufacturers return to economic health after suffering the impacts of the pandemic, similar to ***Senate Bill 205*/*House Bill 12.

A manufacturer off-site permit may be issued to the holder of a specified manufacturer's license. The permit authorizes the holder to provide samples of and to sell alcoholic beverages produced by the holder. The brewery special event permit may be issued to the holder of a specified brewery license and authorizes the license holder to conduct a special event to provide samples and sell products manufactured by the license holder.

Existing law provides that alcoholic beverage manufacturer's licenses may be issued by ATC for a set annual fee. These bills instead authorize ATC to determine the annual license fee, as long as the fee does not exceed a specified cap, which is the existing annual fee. The bills also authorize most alcoholic beverage manufacturers to sell and deliver their products in accordance with specified rules.

In addition, the bills increase certain barrel limits for a Class 7 limited beer wholesaler's license, and allow the holders of Class 1 distillery and Class 8 farm brewery licenses to sell and deliver their products directly to individuals in the State who meet specified criteria. The bills terminate on December 31, 2022.

Industry Practice Prohibition

House Bill 185 ***(passed)*** prohibits an alcoholic beverages license holder in the State, or an employee of a license holder, from conditioning the sale of alcoholic beverages for on-premises consumption on the purchase of more than one serving of an alcoholic beverage at a time. The issuer of an alcoholic beverages license may revoke or suspend the license for violating this prohibition. In addition, the bill establishes criminal penalties for a violation, which include a fine or possible imprisonment.

Alcohol and Tobacco Commission

Senate Bill 761/***House Bill 1336*** ***(both passed)*** include the Executive Director of ATC in the State's retirement and pension plan and provide that the Executive Director has the designation of a peace officer. This gives the Executive Director the same status as other ATC employees in the pension system. For a further discussion of ***Senate Bill 761***/***House Bill 1336***, see the subpart "Pensions and Retirement" within Part C of this *90 Day Report*.

Local Alcoholic Beverages

Legislation

Allegany County

Class B-D Beer, Wine, and Liquor License: ***Senate Bill 677***/***House Bill 883*** ***(both passed)*** establish a Class B-D beer, wine, and liquor license that authorizes the holder to sell beer, wine, and liquor for on-premises consumption, as specified. The bills also authorize the board of license commissioners to issue up to two licenses in a single year. A license holder must complete a Food Alcohol Ratio Report once every licensing cycle.

Gift Basket Permit: ***Senate Bill 731***/***House Bill 1059*** ***(both passed)*** establish a gift basket permit that may be issued to a person whose primary business is the sale and delivery of flowers or specified gift baskets. The permit holder may not hold any other alcoholic beverages license or permit in the county. The permit holder's annual sales from alcoholic beverages may not exceed 10% of the holder's annual gross sales.

Annual Fees: ***Senate Bill 679/House Bill 880*** ***(both passed)***, both emergency bills, authorize the board of license commissioners to reimburse license holders for certain annual license fees, as specified, for the 2020 through 2021 licensing period. The board must also waive or impose lower annual fees relating to the same types of licenses for the 2021 through 2022 licensing period.

Anne Arundel County

Class MT (Movie Theater) License:* *Senate Bill 489*/*House Bill 679* *(both passed) establish a Class MT (movie theater) beer and wine license. The board of license commissioners may issue the license to the owner of a movie theater in the county that holds a crowd control training certification. The license authorizes the sale of beer and wine for on-premises consumption, as specified.

Annual Fees:* *Senate Bill 944*/*House Bill 1136* *(both passed), both emergency bills, require the board of license commissioners, if funding is available, to reimburse each license holder in the county the entire amount of the annual license fee for specified licenses for the 2020 through 2021 licensing period. If the balance of fees remitted to the county by the Comptroller is not sufficient to reimburse each license holder in the county the entire amount of the annual license fee for specified licenses for the 2020 through 2021 licensing period, the board must reimburse each license holder (1) a percentage of the annual license fee in proportion to the total amount of the balance of fees remitted to the county by the Comptroller and (2) for the following year, the remaining balance of the annual license fee that was not reimbursed during the previous fiscal year or a percentage of the annual license fee in proportion to the total amount of the balance of fees remitted to the county by the Comptroller.

Alcoholic Beverages Inspectors:* *Senate Bill 490* *(passed) requires the board of license commissioners to hire a full-time chief inspector, as specified, and removes the authorization for the board to hire a part-time chief inspector.

Baltimore City

Class B-D-7 Licenses:* *Senate Bill 547*/*House Bill 868* *(both passed) authorize the board of license commissioners to issue a Class B-D-7 license in the 4800 block of Harford Road in the 45th alcoholic beverages district under specified circumstances. ***House Bill 256* *(passed)*** alters the hours of sale for a Class B-D-7 license holder located in Baltimore City along specified geographic boundaries.

Alcoholic Beverages Licenses (40th District):* *House Bill 1288* *(passed) generally restricts license holders in specified geographical areas in the 40th alcoholic beverages district in Baltimore City from selling alcoholic beverages before 10:00 a.m. or after 10:00 p.m. Specified classes of licenses are exempt from the restriction on hours of operation. The board may issue a Class B-D-7 license and a Class C beer, wine, and liquor (BWL) license in the 40th alcoholic beverages district, as specified.

Alcoholic Beverages Licenses (46th District):* *Senate Bill 426*/*House Bill 572* *(both passed) authorize specified holders of a Class 9 limited distillery license in the 46th alcoholic beverages district, who also hold a Class D (6-day) BWL license under specified circumstances, to apply to the board of license commissioners to convert the existing Class D (6-day) BWL license into a Class D (7-day) BWL license. The bills also authorize the board to issue (1) a Class D beer and light wine license for an establishment in a specified geographic boundary that has executed a memorandum of understanding with Brewer's Hill Neighbors, Inc., and (2) a Class B BWL license for a restaurant at a specified address. The bills make permanent provisions established by Chapters 676 and 677 of 2019 pertaining to interactions between a specified Class 1 distillery and retail dealer in Port Covington. In addition, the bills repeal specified authorizations to issue or transfer a license within specific geographic areas.

Geographic Boundaries of Alcoholic Beverages Districts: ***Senate Bill 472*** ***(passed)*** updates specified statutory references to the boundaries of Baltimore City's alcoholic beverages districts, so that they are defined as coterminous with the legislative districts in the Legislative Districting Plan of 2012, rather than the Legislative Districting Plan of 2002. The bill requires the board of license commissioners to exempt an activity made unlawful by the bill's change in reference to district boundaries under specific circumstances.

Baltimore County

Class D BWL License: ***Senate Bill 424*****/*****House Bill 555*** ***(both passed)*** authorize the board of license commissioners to issue a Class D BWL license for use by a drugstore.

Board of License Commissioners: ***Senate Bill 38***/***House Bill 677*** ***(both passed)*** require that each member of the board of license commissioners be a resident and voter of the county.

Calvert County

Annual Fees: ***House Bill 1016*** ***(passed)*** requires the board of license commissioners to reimburse each license holder in the county the entire amount of the annual fee for any license that authorizes the sale of alcoholic beverages for on-premises consumption only at a bar or restaurant.

Charles County

Class 4 Limited Winery License: ***Senate Bill 833***/***House Bill 1018*** ***(both passed)*** authorize a Class 4 limited winery license holder in the county to hold or have a financial interest in one retail license that does not apply to the premises for which the Class 4 limited winery license applies.

Frederick County

Barbershop and Beauty Salon Beer and Wine License: ***Senate Bill 694***/***House Bill 1270*** ***(both passed)*** increase, from 5 ounces to 12 ounces, the maximum amount of beer that the holder of a barbershop or a beauty salon beer and wine license may provide to a customer for on-premises consumption.

Consumption Permits: ***Senate Bill 793*****/*****House Bill 1242*** ***(both passed)*** establish a beer and wine consumption permit and a beer, wine, and liquor consumption permit in the county. The board of license commissioners may issue these permits to holders of Class A licenses, as specified.

Stadium License: ***Senate Bill 693***/***House Bill 1240*** ***(both passed)*** repeal the authorization for the license holder of a stadium license in the county to sell beer and wine in Styrofoam containers on the licensed premises to conform with existing State law banning specified uses of expanded polystyrene food service products.

Wine Definition: ***Senate Bill 792/House Bill 1272*** ***(both passed)*** increase, from 21% to 22%, the maximum percentage of alcohol by volume for wine that Class 3 wineries and Class 4 limited wineries holding a Class A wine license in the county may sell, as specified. Additionally, the maximum percentage of alcohol by volume for alcoholic beverages that a restaurant holding a Class B BWL hotel or restaurant license may sell for off-premises consumption increases from 14.5% to 22%.

Garrett County

Alcoholic Beverages Act of 2021: ***Senate Bill 451/House Bill 632*** ***(both passed)*** remove the one-time issuing fees for new Class C (club and organization) BWL licenses and new art establishment licenses. The bills also authorize a Class C per diem BWL license holder to purchase liquor, in addition to beer and wine, from a wholesaler.

Gift Basket Permit: ***Senate Bill 731/House Bill 1059*** establish a gift basket permit that may be issued to a person whose primary business is the sale and delivery of flowers or specified gift baskets. The permit hold may not hold any other alcoholic beverages license or permit in the county. The permit holder's annual sales from alcoholic beverages may not exceed 10% of the holder's annual gross sales.

Harford County

Assisted Living Program License: ***Senate Bill 386/House Bill 312*** ***(both passed)*** establish a Class ALP (assisted living program) BWL license. The board of license commissioners may issue the license to a manager of an assisted living program that is licensed by the Department of Human Services and may be operated under a management agreement, as specified.

Gift Basket Permit: ***Senate Bill 390/House Bill 1100*** ***(both passed)*** establish a gift basket permit in the county. The bills authorize the board of license commissioners to issue the permit to a person (1) whose primary business is the sale and delivery of flowers; (2) whose business includes the sale and delivery of gift baskets of flowers, food, or other items; and (3) who does not hold any other alcoholic beverages license or permit. The board is prohibited from issuing a permit for use in conjunction with or on the premises of a chain store, supermarket, or discount house. A permit holder may sell and deliver, to consumers of a legal drinking age located in the county, gift baskets containing specified volumes of beer, wine, or liquor products, purchased from a retail license holder.

Howard County

Class A Alcoholic Beverages License – Quota: ***House Bill 1151*** ***(passed)*** modifies the maximum number of Class A licenses of any type that the board of licenses commissioners may issue by authorizing the board to issue up to six Class A licenses in each election district in the county. The board may issue more than six Class A licenses in any election district if the total number of Class A licenses in any election district does not exceed one Class A license of any type for every 4,000 residents of the election district.

Class B BWL License – Off-premises Consumption: ***House Bill 1152*** ***(passed)*** authorizes the holder of a Class B BWL license to sell beer, wine, and liquor in sealed containers for off-premises consumption only to a person who has purchased prepared food from the premises. The bill repeals the beer and wine (B-SBW) off-sale permit that a Class B BWL license holder previously needed to obtain to sell beer and wine for off-premises consumption, as specified. The board of license commissioners may limit the quantity of alcoholic beverages sold in a single transaction for off-premises consumption, as specified.

Retail Delivery: ***House Bill 1155*** ***(passed)*** authorizes the holder of a Class A license or an employee of the license holder to deliver alcoholic beverages within the county. An employee making a delivery must be at least 18 years old. The deliverer and recipient must both sign a form indicating that (1) the recipient claimed to be 21 years old and presented documentation to that effect; (2) the recipient knows it is a criminal offense for alcoholic beverages to be given to an individual under 21 years old; and (3) the deliverer examined the recipient's identification. A delivery may not be made unless the purchaser or another individual at least 21 years old designated by the purchaser is physically present to receive the beverages at the place and time of delivery and pays for the purchase at the time of the order.

Alcoholic Beverages Inspectors: ***House Bill 1191*** ***(passed)*** requires the Howard County Police Department to employ inspectors to assist the board. The bill specifies that the chief of the county police department must have final selection authority over the hiring of the inspectors. An inspector who investigates an alcoholic beverages license violation is authorized to issue a civil citation, as specified.

Montgomery County

Seating Requirements: ***House Bill 430*** ***(passed)*** repeals the capacity requirements for an applicant of a BWL Community Performing Arts Facility alcoholic beverages license.

Draft Beer for Off-site Consumption in Damascus: ***House Bill 432*** ***(passed)*** authorizes the board of license commissioners to issue a refillable or nonrefillable container permit for draft beer to the holder of a Class H beer and wine license if the licensed premises is in Damascus (12th election district).

Annual Fees: ***House Bill 428*** ***(passed)***, an emergency bill, requires the board of license commissioners to refund the annual fees and late fees for each alcoholic beverages license issued for the 2020 to 2021 licensing period, as specified. The bill also requires the board to waive the late fees for alcoholic beverages licenses issued for the 2021 to 2022 licensing period, as specified.

Prince George's County

Class BLX License: ***Senate Bill 739*** ***(passed)*** authorizes an establishment in Prince George's County located within a specified area on the campus of the University of

Maryland, College Park Campus that is issued a Class BLX license to offer entertainment when individuals under the age of 21 years are present, as specified.

Violations and Penalties; Sunday Off-sale Permit: ***House Bill 974*** ***(passed)*** authorizes the board of license commissioners to issue a Sunday off-sale permit to any Class A or Class B license holder with an off-sale privilege. An applicant for a Sunday off-sale permit must commit to spending a minimum of $50,000 to rehabilitate and renovate the licensed premises within one year after the permit is issued. By January 1, 2023, the board must conduct a study of Sunday off-sale permits to determine (1) how many permit holders failed to make the required reinvestment and (2) how many times the reinvestment requirement was waived.

House Bill 974 also prohibits the board of license commissioners from approving or renewing a license for a license holder or a stockholder of a corporation convicted of a felony related to operations under the license for at least 10 years and requires the board to revoke such a license. In addition, the bill provides that a license holder or employee who violates provisions on selling or providing alcoholic beverages to an underage individual is guilty of a misdemeanor and is subject to imprisonment not exceeding 2 years or a fine not exceeding $2,000, or both.

Queen Anne's County

Places of Worship: ***Senate Bill 855***/***House Bill 323*** ***(both passed)*** remove the prohibition on the board of license commissioners issuing an alcoholic beverages license to an establishment located within 500 feet of a place of worship.

Unannounced Inspections: ***Senate Bill 854***/***House Bill 349*** ***(both passed)*** alter the requirement for an alcoholic beverages inspector to inspect at unannounced times every licensed premises in the county from at least once every 60 days to at least once every 180 days.

St. Mary's County

Distillery On-site Consumption Permit: ***House Bill 529*** ***(passed)*** authorizes the board of license commissioners to issue an on-site consumption permit to the holder of a Class 1 distillery license for use at the location of the licensed premises. The permit authorizes the sale of mixed drinks made from liquor produced by the distillery that are mixed with other nonalcoholic ingredients for on-premises consumption. An application for a permit must be made at least 30 days before the permit is to take effect.

Annual Fees: ***House Bill 814*** ***(passed)***, an emergency bill, requires the board of license commissioners to waive the entire annual licensing fee for the 2021 through 2022 licensing period for any alcoholic beverages license that authorizes the holder to sell alcoholic beverages for on-premises consumption only at a bar or restaurant if the license holder paid the fee for the 2020 through 2021 licensing period.

Washington County

Special Event Permits for Wineries: ***House Bill 1108*** ***(passed)***, an emergency bill, increases, from 32 to 60, the number of times in a year that specified wineries may use a special event permit. The bill terminates June 30, 2023.

Wicomico County

License Alterations: ***Senate Bill 715*****/*****House Bill 795*** ***(both passed)*** repeal the requirement that the holder of a Class B BWL (golf course) license must have average daily receipts from the sale of food for each month that exceed the average daily receipts from the sale of alcoholic beverages. The bills also expand the authorized days in which a holder of a Class A BWL license may sell beer, wine, and liquor to Monday through Sunday from 6 a.m. to midnight instead of Monday through Saturday from 6 a.m. to midnight.

MEMORANDUM OF UNDERSTANDING
AMONG THE
THE COMPTROLLER OF MARYLAND, THE ALCOHOL AND TOBACCO COMMISSION, AND THE EXECUTIVE DIRECTOR OF THE ALCOHOL AND TOBACCO COMMISSION

WHEREAS, the Maryland General Assembly established the Alcohol and Tobacco Commission ("ATC") and the Executive Director of the ATC ("Executive Director"), pursuant to 2019 Md. Laws, Ch. 12 ("2019 Act"), which, among other things, provided for the transfer of certain duties and responsibilities relating to alcohol and tobacco laws from the Comptroller of Maryland ("COM") to the ATC and Executive Director;

WHEREAS, the Maryland General Assembly further acted to increase the efficiency and accuracy in the performance of the respective duties and responsibilities of the COM, ATC, and Executive Director (together, the "Parties") by enacting 2020 Md. Laws, Ch. 360 ("2020 Act," collectively with the 2019 Act the "Acts");

WHEREAS, the Acts are effective January 1, 2021;

WHEREAS, the Office of the Executive Director will be under the direction of the Executive Director and will have a Field Enforcement Division;

WHEREAS, the Executive Director, along with the employees in the Office of the Executive Director, will be responsible, for, among other things, adopting regulations and enforcing certain laws related to the use, sale, manufacture, distribution, importation, possession, storage, transportation, and general regulation and control of alcohol and tobacco;

WHEREAS, certain duties and responsibilities of the Comptroller ("COM,"), particularly those of the Comptroller's Field Enforcement Bureau, and the Office of the Executive Director will require similar resources;

WHEREAS, a Declaration of State of Emergency and Existence of Catastrophic Health Emergency – Covid-19 ("Declaration") has been issued by the Governor in response to the Covid-19 pandemic ("Pandemic");

WHEREAS, the events set forth in the Declaration have caused unavoidable delays in organizing the ATC and the Office of the Executive Director and transitioning resources from the COM to the ATC, the Executive Director, and the Office of the Executive Director; and

WHEREAS, the COM, the ATC, and the Executive Director must attempt to accomplish the directives of the General Assembly despite the logistical and budgetary limitations caused by the Pandemic;

NOW, THEREFORE, to allow the COM to share administrative services, personnel, equipment, and other organizational resources with the ATC and Executive Director in furtherance of the intent expressed by the Maryland General Assembly, to establish a framework for the COM, ATC, and Executive Director to effectuate the provisions of the Alcoholic Beverages Article and other provisions of the law, and to preserve the confidential nature of any information shared, the Parties agree to the following terms and conditions of this Memorandum of Understanding ("MOU") as follows:

1. Recitals

The recitals are hereby incorporated into this MOU.

2. Cooperative Arrangements

The COM agrees to work and cooperate with, provide equipment and administrative service assistance to, and make procurements for the ATC and the Office of the Executive Director for use in fulfilling their responsibilities for alcohol and tobacco regulation and enforcement, in accordance with Maryland law and any appropriate delegation of authority.

In the performance of their respective duties under state law and pursuant to this MOU, the Parties agree to share employees, agents, and other personnel, as well as existing facilities, equipment, and other resources, as needed. Agents and inspectors of the Field Enforcement Division in the Office of the Executive Director shall work cooperatively with the COM to carry out their respective law enforcement and statutory duties.

When, as part of the employee sharing authorized by the Legislature, field enforcement agents or inspectors employed by the Office of the Executive Director perform any inspection or enforcement activity that relates to the COM's functions, duties, and/or oversight, such as motor fuel inspections, those field enforcement agents or inspectors act under the authority of the COM's Field Enforcement Bureau Director.

When, as part of the employee sharing authorized by the Legislature, field enforcement agents or inspectors employed by the COM perform any inspection or enforcement activity that relates to the Office of the Executive Director's functions, duties, and/or oversight, those COM field enforcement agents or inspectors act under the authority of the Executive Director for the ATC.

3. Facilities

The COM agrees to permit the ATC, the Executive Director, and the Office of the Executive Director to share the facilities that are currently under the control of the COM, including COM field offices, the Motor Fuel Testing Laboratory, and various offices or storage rooms within the Treasury Building. The ATC and the Executive Director agree to abide by the COM's provisions for the safe and secure storage of any contraband or any items of an evidentiary nature seized or otherwise obtained in connection with inspections or investigations.

The COM has the sole authority to determine, in its discretion, with reasonable consideration of the requests and needs of ATC and the Executive Director, which facilities shall be shared and how such sharing shall occur.

4. Miscellaneous Equipment and Administrative Services

The COM agrees to make available to the ATC, the Executive Director, and the Office of the Executive Director existing equipment and administrative services they may need to perform their duties and responsibilities. The COM retains the sole authority to determine the method and manner of providing such equipment and administrative services.

Equipment shall include, but not necessarily be limited to, furniture, computer hardware, law enforcement equipment, communications equipment, and motor vehicles.

Administrative services shall include, but not necessarily be limited to, human resources services, information technology services and applications (including relevant software and programs, computer networks, databases, and electronic communications), budget and finance services, and procurement services, and mail services.

5. Equipment Inventory

All COM equipment made available for the use of the ATC, the Office of the Executive Director, and/or the Executive Director remains COM equipment and shall be reflected on the COM's inventory. Any property procured by the COM on behalf of the ATC or the Office of the Executive Director shall, upon payment to the COM, become the property of the ATC or the Office of the Executive Director and shall be reflected on the inventory records of the ATC or the Office of the Executive Director, as appropriate.

6. Security

The ATC and the Executive Director agree that they and their employees and staff shall comply with all relevant security requirements imposed by the COM on its own employees as if they and their employees were COM employees. These security requirements include all policies, procedures, statutory provisions, or regulations concerning the access to and handling of federal tax information, State tax information, personally identifiable information, and other such information protected by State or federal law and regulations. The ATC and the Executive Director agree that they and their employees and staff shall timely complete any training the COM may require relating to security and the confidentiality of its systems and tax information.

7. Costs

The COM shall not be responsible for any costs incurred by the ATC, the Executive Director, or the Office of the Executive Director in fulfilling their duties and responsibilities. The COM shall not be responsible for reimbursing the ATC, the Executive Director, or the Office of the Executive Director for any salaries or costs incurred by the ATC, the Executive Director, or the Office of the Executive Director or their employees. The parties shall not charge, bill, or invoice each other for the sharing of field enforcement agents or inspectors to carry out either the COM's or the Office of the Executive Director's inspection, enforcement, and oversight obligations. The Parties agree that the COM shall incur no costs associated with the implementation, completion, or fulfillment of any responsibility of the ATC, the Executive Director, or the Office of the Executive Director.

8. Billing for Equipment, Administrative Services, and Procurements

The COM may impose a reasonable charge on the ATC and/or the Office of the Executive Director for equipment and administrative services, as defined in paragraph 4 above, and for procurements made by the COM on behalf of the ATC or Executive Director's Office.

The COM may impose a reasonable charge on the ATC and/or the Office of the Executive Director during the period from January 1, 2021 through and including the date on which this MOU is fully executed by all parties for the following: (1) any costs for the use of COM equipment, administrative services, as defined in paragraph 4 above and (2) any procurements made by the COM on behalf of and for the benefit of the ATC or the Executive Director's Office.

Notwithstanding paragraph 7 above, the COM may charge the ATC and/or the Office of the Executive Director for payroll expenses incurred by the COM for employees who are transferring to the ATC or the Office of the Executive Director and who were to have transferred on January 1, 2021, but for the Workday structure not being in place to permit the transfer. These payroll expenses are for any position identification numbers (pins) to be transferred that are filled by personnel (and not vacant pins) and cover the period from January 1, 2021 through the date of transfer of the pins and personnel to the ATC. Payroll expenses means any amounts expended by the Comptroller in connection with employee pay, including, but not limited to, salaries or hourly wages; fringe benefits, such as retirement and health insurance; and any ancillary expenses related to employee pay, such as payment of employment insurance and withholding taxes.

9. Term

This MOU shall become effective on the date on which the last signatory signs the MOU and shall continue in force through, and including, June 30, 2021, unless terminated earlier as specified below.

10. Project Manager

The COM shall designate a Project Manager. The address and telephone number of the Project Manager are c/o Comptroller of Maryland, Field Enforcement Bureau, PO Box 2397, Annapolis, MD 21404-2397, (410) 260-7388. The Project Manager will serve as a point of contact for all actions taken and have the authority to make management decisions relating to the COM's obligations, pursuant to this MOU. The COM may change its Project Manager on written notice to the Executive Director of the ATC. The ATC and the Executive Director also reserve the right to designate a point of contact or Project Manager for the same purposes and in the same manner as the COM.

11. Cooperation

The COM agrees to cooperate with the ATC and the Executive Director, as reasonably required to effectuate the intent of the Acts and this MOU and to facilitate the ATC's and Executive Director's successful use of COM resources. The COM will make its designated Project Manager, and any other necessary employees, available on a timely basis to the ATC and the Executive Director as requested.

12. Termination

a. *Inadequate Funding*. If adequate funds are not appropriated by the General Assembly to sustain this MOU, then the COM or the ATC may terminate the MOU by giving notice to the other party in writing at least 30 days in advance, or otherwise as promptly as possible before termination.

b. *Termination for Cause*. If a party to the MOU fails to satisfy the MOU requirements, and that failure impairs the performance of either the COM or the Office of the Executive Director or interferes with either's ability to carry out their respective lawful obligations, such failure constitutes a material breach. For purposes of this agreement, "material breach" means, with respect to a given breach, that a reasonable person in the position of the nonbreaching party would wish to terminate this agreement because of that breach.

c. *Material Breach*. In the event of a material breach, the non-breaching party shall give written notice of the breach to the breaching party. If within 15 days of receipt of the written notice, the breaching party does not begin to correct the breach or, if within 30 days of receipt of notice, the material breach has not been substantially corrected, the non-breaching party may terminate this MOU without further notice. For purposes of this agreement, "substantially corrected" means that amount of correction that would makes the breach no longer "material."

13. Information sharing

Unless prohibited by law, the Parties agree to inform each other about their alcohol and tobacco enforcement efforts by transmitting notices and providing information to designated persons. Upon the COM's request, the ATC and the Executive Director agree to share information derived from their alcohol and tobacco inspections, licensing, and other enforcement actions with the COM for the COM's tax enforcement obligations or to enable the COM to fulfill any of its legal or contractual obligations to share information with other federal, state, or local entities or agencies, including the Comptroller's information sharing obligations with the Office of the Attorney General for purposes of enforcing the Master Settlement Agreement.

14. Notices

Whenever a Party is required to give notice (including to transmit invoices) to other Parties, the notice shall be deemed given when delivered by hand or by overnight courier, or on the third business day after being mailed by first-class mail addressed as follows:

For the ATC:
Attention: Chairperson
Alcohol and Tobacco Commission
Treasury Building
80 Calvert Street
3rd Floor—Field Enforcement
Annapolis, Maryland 21404

With a copy to:
Murray Singerman
Assistant Attorney General
P.O. Box 591
Annapolis, MD 21404-0591

For the COM:
Comptroller of Maryland
Attention: PROJECT MANAGER
P O Box 1751
Annapolis, MD 21404-1751

With a copy to:
Brian Oliner
Assistant Attorney General
for the Comptroller of Maryland

P.O. Box 591
Annapolis, MD 21404-0591

For the Executive Director:
Anthony Hatcher
Acting Executive Director, ATC
Treasury Building
80 Calvert Street
3rd Floor—Field Enforcement
Annapolis, MD 21404

With a copy to:
Murray Singerman
Assistant Attorney General
P.O. Box 591
Annapolis, MD 21404-0591

A party may change its address or designated recipient by giving the other Parties written notice of the new address or recipient and the date that the change will be effective.

15. Severability; Construction

If, and only to the extent that, any provision of this MOU is declared or found to be illegal, unenforceable, or void, then the ATC, the Executive Director, or the COM shall be relieved of all obligations arising under such provision, it being the intent and agreement of the Parties that this MOU shall be deemed amended by modifying such provision to the least extent necessary to make it legal and enforceable while preserving its intent. If that is not possible, another provision that is legal and enforceable and achieves the same objective shall be substituted. If the remainder of this MOU is not affected by such declaration or finding and is capable of substantial performance, then the remainder shall be enforced to the extent permitted by law.

16. Entire Agreement and Modification

This MOU, in conjunction with any schedules and any terms and conditions from other documents, legislation, laws, or regulations referred to herein or attached hereto, including without limitation those relating to the ATC, each of which is hereby incorporated, constitute the entire and exclusive statement of this agreement between the ATC, the Executive Director, and the COM. There are no oral or written representations, understandings, or agreements relating to this MOU that are not fully expressed herein. The Parties agree that any other terms or conditions included in any quotes, acknowledgments, bills of lading, applications, internal or external memorandum, reports, letters, notices, bulletins, or other forms utilized or exchanged by the Parties shall not be incorporated herein or be binding unless expressly agreed upon in writing by authorized representatives. No modification, change, or amendment shall be valid unless it is in writing and signed by the authorized representative of the Party against which such modification, change, or amendment is sought to be enforced.

AGREED TO BY:

Comptroller of Maryland

By: ________________________
Name: Jeffrey A. Kelly
Title: Director of Field Enforcement Bureau
Date: 01/20/21

Executive Director, Alcohol and Tobacco Commission

By: ________________________
Name: Anthony Hatcher
Title: Acting Executive Director
Date: 01/29/2021

Alcohol and Tobacco Commission

By: ________________________
Name: Len N. Foxwell
Title: Chairperson
Date: 01/29/2021

J. Terry Ober, Inspector, Kent Alcohol and Tobacco Enforcement and Sondra Blackiston, Clerk/ KATE Manager
5/25/2021
County Commissioners Meeting

Item Summary:
Discussion of Alcoholic Beverages Manual of Rules and Regulations

ATTACHMENTS:

Description

05.25.21 Resolution 2021-07 A Resolution To Repeal the Alcoholic Beverages Manual of Rules and Regulations of the Kent County Board of License Commissioners

05.25.21 Resolution 2021-07 A Resolution To Repeal the Alcoholic Beverages Manual of Rules and Regulations of the Kent County Board of License Commissioners

RESOLUTION 2021-07
COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND

A RESOLUTION TO REPEAL THE ALCOHOLIC BEVERAGES MANUAL OF RULES AND REGULATIONS OF THE KENT COUNTY BOARD OF LICENSE COMMISSIONERS

WHEREAS, the County Commissioners of Kent County, in their capacity as The Board of License Commissioners, published an Alcoholic Beverages Manual of Rules and Regulations in 1992, and have amended the Manual from time to time, most recently in 2008; and

WHEREAS, since the time of the last amendment to the Manual, the State of Maryland has recodified the State's alcoholic beverage laws, and has enacted several new laws as well as having repealed some previously existing laws; and

WHEREAS, as the result of the aforementioned codification and enactment of new State laws with respect to alcoholic beverages, the County's manual is outdated and obsolete in many respects; and

WHEREAS, the County is in the process of preparing a new manual to replace the existing manual so that the County will have a manual that is reflective of current laws, regulations, procedures, and protocols; and

WHEREAS, it is appropriate at this time to repeal the existing manual and to adopt by reference, the applicable provisions of the State of Maryland's alcoholic beverage laws by reference pending the completion of a new manual.

NOW, THEREFORE, BE IT RESOLVED, that the County Commissioners of Kent County, Maryland, as evidenced by this Resolution, hereby repeal the Alcohol Beverages Manual of Rules and Regulations of the Kent County Board of License Commissioners and adopt by reference the provisions contained in Division I and in Title 24 of Division II of the Alcoholic Beverages Article of the Annotated Code of Maryland.

ATTEST:

THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND

____
Sondra M. Blackiston, Clerk

____
P. Thomas Mason, President

____
Ronald H. Fithian, Member

____
Robert N. Jacob, Jr., Member

ADOPTED: May 25, 2021

RESOLUTION 2021-07
COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND

A RESOLUTION TO REPEAL THE ALCOHOLIC BEVERAGES MANUAL OF RULES AND REGULATIONS OF THE KENT COUNTY BOARD OF LICENSE COMMISSIONERS

WHEREAS, the County Commissioners of Kent County, in their capacity as The Board of License Commissioners, published an Alcoholic Beverages Manual of Rules and Regulations in 1992, and have amended the Manual from time to time, most recently in 2008; and

WHEREAS, since the time of the last amendment to the Manual, the State of Maryland has recodified the State's alcoholic beverage laws, and has enacted several new laws as well as having repealed some previously existing laws; and

WHEREAS, as the result of the aforementioned codification and enactment of new State laws with respect to alcoholic beverages, the County's manual is outdated and obsolete in many respects; and

WHEREAS, the County is in the process of preparing a new manual to replace the existing manual so that the County will have a manual that is reflective of current laws, regulations, procedures, and protocols; and

WHEREAS, it is appropriate at this time to repeal the existing manual and to adopt by reference, the applicable provisions of the State of Maryland's alcoholic beverage laws by reference pending the completion of a new manual.

NOW, THEREFORE, BE IT RESOLVED, that the County Commissioners of Kent County, Maryland, as evidenced by this Resolution, hereby repeal the Alcohol Beverages Manual of Rules and Regulations of the Kent County Board of License Commissioners and adopt by reference the provisions contained in Division I and in Title 24 of Division II of the Alcoholic Beverages Article of the Annotated Code of Maryland.

ATTEST:

Sondra M. Blackiston

Sondra M. Blackiston, Clerk

THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND

P. Thomas Mason

P. Thomas Mason, President

Ronnie Fithian

Ronald H. Fithian, Member

Robert N. Jacob, Jr., Member

ADOPTED: May 25, 2021

Scott Boone, Director, Information Technology
5/25/2021
County Commissioners Meeting

Item Summary:
DHCD Grant Opportunities - Request to Approve MOU, Request to Approve Broadband Infrastructure Contracts

Kent County, in partnership with two Internet Service Providers, were awarded 16 grant awards from the Department of Housing and Community Development

ATTACHMENTS:

Description

Memorandum of Understanding (Talkie)

Memorandum of Understanding (ThinkBig)

MEMORANDUM OF UNDERSTANDING
REGARDING
FUNDING FOR EXISTING BROADBAND NETWORKS EXPANSION

This Memorandum of Understanding Regarding Funding for Existing Broadband Networks Expansion ("**Agreement**") is made by and between the Department of Housing and Community Development ("**DHCD**"), a principal department of the State of Maryland ("**State**") and the County Commissioners of Kent County, Maryland (the "**County**"). **DHCD** and the **County** are each a "**Party**," and may be collectively referred to as the "**Parties**."

WHEREAS, there is a deficit of broadband resources serving rural residents and businesses in the State; and

WHEREAS, DHCD supports the mission of the State and, in particular, the Office of Statewide Broadband (the "**Office**"), successor to the Governor's Office of Rural Broadband, to deliver broadband internet to communities in Maryland experiencing such a deficit, including rural communities; and

WHEREAS, it is the goal of DHCD, in support of the Office, to aid counties experiencing such a deficit by supporting these counties in implementing solutions to the problem of delivering broadband to unserved residents and businesses; and

WHEREAS, the County seeks funding support for development of nine (9) projects to extend existing broadband service into Unserved Rural Areas ("**Projects**"); and

WHEREAS, the State has received funding from the United States Department of the Treasury, pursuant to Section 9901 of the American Rescue Plan Act (H.R. 1319), and any applicable rules and regulations related thereto; and

WHEREAS, the purpose of this funding is to address the economic consequences of the COVID-19 pandemic by facilitating, among other things, increased public investment in broadband infrastructure; and

WHEREAS, the State has allocated a portion of this funding to DHCD for the purpose of supporting broadband infrastructure and deployment; and

WHEREAS, federal funding being made available to DHCD for this purpose will allow DHCD to aid the County by providing more increased funding than originally announced in the Request for Applications, in addition to allowing the County to provide a more reduced match than originally required in the Request for Applications.

NOW, THEREFORE, in consideration of the mutual commitments made herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. <u>Recitals</u>

The Recitals set forth above are hereby incorporated and made a part of this Agreement.

2. <u>Term</u>

The term of this Agreement shall begin after all appropriate Party approvals have been obtained and the Agreement has been executed by all Parties, and will terminate on December 31, 2022, unless earlier terminated pursuant to Section 5 hereof.

3. <u>Definitions</u>

3.1 "**County Match"** means the funds committed to the Project by the County and, if applicable, the ISP Partner, to match the funding committed by the Department to the Projects under this Agreement.

3.2 "**ISP**" means the internet service provider partnering with the County for the Projects, Talkie Communications, Inc.

3.3 "**Minimum Network Requirements**" means a minimum internet connectivity of 100 Mbps down and 100 Mbps up with a maximum latency of 50 milliseconds measured at the served subscribers' location.

3.4 "**Projects**" means the County's projects to extend broadband services into Unserved Rural Areas, as described in detail in the County's responses to the RFA, attached hereto as Exhibits B through J, and as individually named in Section 4.1.

3.5 "**Project Areas**" means the geographic areas to be served with internet connectivity as a result of the Projects,. Each Project Area must be located within an Unserved Rural Area.

3.6 "**RFA**" means the *Governor's Office of Rural Broadband Request for Applications FY21 Expansion of Existing Broadband Networks Funding Program for Unserved Rural Areas* published on November 4, 2020.

3.7 "**Unserved Rural Area**" means a geographic area lacking terrestrial, fixed internet service at speeds above 25 Mbps download and 3 Mbps upload, falling within a Census Rural Area.

4. <u>Obligations of Parties</u>

4.1 DHCD

4.1.1 Funding. To support the Projects, DHCD commits to providing funding to the County, on a reimbursement basis, in an amount not to exceed One Million, Three Hundred Eighty-Two Thousand, Eight Hundred Seventy Dollars ($1,382,870.00) ("**Funding**"). Reimbursement funding per Project is available as follows and as committed in the Award Letters attached as Exhibits K through S:

Project Name	Not to Exceed Amount
Colonel Leonard	Ninety-Six Thousand, Seven Hundred Twenty-Three Dollars ($96,723.00)
Dudley Chance	Two Hundred Forty Thousand Dollars ($240,000.00)
Morgnec A	Two Hundred Forty Thousand Dollars ($240,000.00)
Handy Point	Ninety-One Thousand, Five Hundred Seven Dollars ($91,507.00)
Morgnec B	Two Hundred Forty Thousand Dollars ($240,000.00)
Morgnec South	One Hundred Thirty-Four Thousand, Five Hundred Seventeen Dollars ($134,517.00)
Newtown	One Hundred Thirty-Nine Thousand, Eight Hundred Four Dollars ($139,804.00)
Porter's Grove	One Hundred Thirty-Three Thousand, Five Hundred Six Dollars ($133,506.00)
Rileys Mill	Sixty-Six Thousand, Eight Hundred Thirteen Dollars ($66,813.00)

The following conditions apply to all Funding:

4.1.1.1 Funding shall only be provided for actual, eligible Project costs;

4.1.1.2 Funding shall not exceed sixty percent (60%) of the actual Project cost;

4.1.1.3 Funding shall only be provided to the extent that the County Match is provided, as described in Section 4.2.2.1.3 below.

4.1.1.4 Eligible Project costs are costs relating to the capital assets required to provide service, meeting Minimum Network Requirements, to end user subscribers within the Project Area.

4.1.2 Invoicing and reimbursement.

4.1.2.1 The County shall submit invoices for reimbursement of eligible Project costs, with supporting documentation to DHCD, with a courtesy copy to the Office, for reimbursement of Project costs no later than thirty (30) days after County payment of Project costs. Invoices must include the following information:

4.1.2.1.1 Date of invoice;

4.1.2.1.2 Specific Project for which reimbursement is being sought;

4.1.2.1.3 Date and description of expense or service for which reimbursement is requested;

4.1.2.1.4 Cumulative Project cost to-date for that Project;

4.1.2.1.5 Cumulative DHCD reimbursements to-date for that Project;

4.1.2.1.6 Percentage of overall Project cost paid by DHCD to-date.

4.1.2.2 In conjunction with each reimbursement request submitted to DHCD, the County shall provide a report to the Office setting forth the number of unserved homes in the past, the number of initial subscribers since the expansion (if any), and the number of fiber miles placed.

4.1.2.3 DHCD or the Office may require the submission of additional supporting documentation.

4.1.2.4 Reimbursements may be made on paid or unpaid invoices.

4.1.2.5 DHCD will make reimbursements within sixty (60) days after approval of an invoice submitted pursuant to 4.1.2.1.

4.1.3 Discretion. DHCD, in its sole discretion, may approve or deny reimbursement requests made pursuant to Section 4.1.1. In reviewing, approving, and processing funding requests, DHCD may consult with the Office.

4.2 The County

4.2.1 Eligibility for Funding.

4.2.1.1 The County is a grantee of funds from DHCD and this agreement constitutes a grant agreement.

4.2.1.2 The County must fully execute each Project for funding to be awarded. In the event that the County defaults on this obligation, funding may be recalled by DHCD as to any uncompleted Project.

4.2.2 Projects

4.2.2.1 The Projects must meet the following criteria for funding to be provided pursuant Section 4.1.

4.2.2.1.1 The Projects must serve an Unserved Rural Area.

4.2.2.1.2 The Project must meet Minimum Network Requirements.

4.2.2.1.3 A County Match in the amount of $0.6667 for every One Dollar ($1.00) of funding provided by DHCD is required.

4.2.2.1.4 The Projects will conform in all material respects with the County's responses to the RFA, attached hereto as Exhibits B through J, as limited in scope by the Award Letters, attached hereto as Exhibits K through S. The scope of the Project may be further modified with the written approval of DHCD, in consultation with the Office.

4.2.2.2 The Projects will be owned by the County or the ISP. The County is responsible for overall funding and implementation of the Projects. The County's pass through funding to the ISP is contingent upon receipt of funds from DHCD.

4.2.2.3 The County will seek the assistance and advice of the Office in executing the Projects. The County will accept the Office's advice and suggestions in good faith.

5. <u>Early Termination</u>

5.1. If a Party fails to fulfill any or all of its obligations under this Agreement properly and on time, or otherwise violates any provision of this Agreement, any non-defaulting Party may terminate this Agreement by giving thirty (30) days prior written notice of such default to each other Party. The non-defaulting Party shall allow thirty (30) days for a defaulting Party to cure said default. If the default is not cured within the thirty (30) day cure period, a non-defaulting Party may terminate this Agreement without further notice. If the County is a signatory to multiple agreements with DHCD that fund projects expanding broadband, the County acknowledges that, in DHCD's sole discretion, a default under the terms of this Agreement which is not cured within the thirty (30) day cure period shall be grounds for DHCD to terminate all pending Pilot Project/Expansion of Broadband memoranda of understanding between DHCD and the County. The thirty (30) day notice of default shall specify the acts or omissions which, uncured, will be relied upon for termination.

5.2 DHCD may terminate this Agreement for convenience upon sixty (60) days' notice to the County. In the event of an early termination under this Section, the County will be reimbursed all reasonable costs incurred prior to the date of notice of termination, pursuant to Section 4.1.1.

5.3 Funding under this Agreement is subject to budget constraints and legislative approvals. If funds are not appropriated or made available to DHCD for the amounts identified in this Agreement, this Agreement shall be automatically terminated, without any action required. DHCD shall receive appropriation of necessary funds prior to the County's implementation of the Projects.

6. <u>Notices</u>

All notices required under this Agreement shall be made in writing, delivered by first-class mail (with a courtesy copy by e-mail), and deemed received three (3) days after mailing. All notices shall be directed as follows:

If for DHCD, to:

Kenneth C. Holt
Secretary
Department of Housing and Community Development
7800 Harkins Road
Lanham, MD 20706
With courtesy e-mail to: kenneth.holt@maryland.gov

and

Kenrick Gordon
Director, Office of Statewide Broadband
Department of Housing and Community Development
7800 Harkins Road
Lanham, MD 20706
With courtesy e-mail to: kenrick.gordon@maryland.gov

If for the County, to:

Shelley L. Heller
County Administrator
County Commissioners of Kent County, Maryland
400 High Street
Chestertown, MD 21620
With courtesy e-mail to: sheller@kentgov.org

and

Thomas N. Yeager, Esq.
Law Office of Thomas N. Yeager
203 Maple Avenue
Chestertown, MD 21620
With a courtesy email to: tyeager@kentgov.org

7. <u>Liability</u>

7.1 Each Party assumes sole responsibility for the obligations to be performed by it under this Agreement.

7.2 To the extent permitted by law, the County shall defend, indemnify, and hold harmless DHCD, the Office, and the State, from and against any and all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs, expenses, and proceedings of any kind whatsoever (including but not limited to reasonable attorney's and expert's fees and costs), whether or not involving a third-party claim, that are caused by, relate to, or arise from any breach of this Agreement or any direct or indirect, willful or negligent, act or omission by the County, its officials, employees, or agents, in connection with the subject of this Agreement, unless such claims arise from or are the sole result of intentional misconduct or gross negligence of the party seeking to enforce this right to indemnification. The County's obligation to defend, indemnify, and hold harmless DHCD, the Office, and the State, shall survive the termination of this Agreement.

7.3 In any agreement for execution of the Project with the ISP, the County shall require the ISP to defend, indemnify, and hold harmless DHCD, the Office, and the State, from and against any and all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs, expenses, and proceedings of any kind whatsoever (including but not limited to reasonable attorney's and expert's fees and costs), whether or not involving a third-party claim, that are caused by, relate to, or arise from any breach of this Agreement or any direct or indirect, willful or negligent, act or omission by the ISP, its officers, employees, or agents, in connection with the subject of this Agreement, unless such claims arise from or are the sole result of intentional misconduct or gross negligence of the party seeking to enforce this right to indemnification.

7.4 Nothing provided in this Agreement shall be construed as a waiver of the Tort Claims Acts and related funding provisions or the defense of governmental immunity by the Parties as to any third party.

7.5 It is hereby stipulated and agreed between the Parties that with respect to any tort claim or action arising out of any services performed under or pursuant to this Agreement, each Party shall only be liable for payment of that portion of any and all liability, costs, expenses, demands, settlements, or judgments resulting from the negligence, actions or omissions of its own agents, officers and employees. In any action or claim arising out of any services performed under or pursuant to this Agreement, each Party shall assume the defense of itself, its own officers, agents or employees in accordance with the Maryland Tort Claims Act, Md. Code Ann., State Gov't Art., §12-101, *et seq*. and the Maryland Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. § 5-301, *et seq*., as the case may be.

7.6 Each Party shall immediately notify the other of any claim or suit made or filed against them or their subcontractors regarding any matter resulting from or relating to their obligations under this Agreement and will cooperate, assist, and consult with the other Party in the defense or investigation of any claim, suit, or action made or filed against any of the Parties relating to the obligations of such Party under this Agreement.

8. <u>Records</u>

The County will maintain accurate records of all documents relating to this Agreement, all expenses incurred under this Agreement, and all services provided to the County for which reimbursement is made under Section 4.1.1. The County shall make the records and its administrative offices, personnel, consultants, or volunteers who are involved in the implementation of this Agreement available to representatives of the U.S. Treasury, DHCD or the Office upon request. All such records shall be maintained for a period of three (3) years after funding is provided by DHCD, or for any applicable period of limitations under federal law, whichever is longer. In cases where unresolved audit questions may require retention of some or all of said records for a longer period, the County will turn over all records that may be required to be retained beyond the three (3) year period identified herein to DHCD.

9. <u>Compliance with Laws</u>

Each Party to this Agreement hereby represents and warrants that it shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Agreement.

10. <u>Certifications</u>

10.1 The Parties agree to not discriminate in any manner against any employee or applicant for employment because of race, color, religion, creed, age, sex, familial status, marital status, national origin, ancestry, or physical or mental disability or any other characteristic forbidden as a basis for discrimination by applicable laws. The Parties agree to comply with other non-discrimination provisions of federal and State law.

10.2 The signatory for the County in this Agreement is an official of the County authorized to act in connection with the matters described in this Agreement. This Agreement has been duly authorized, executed, and delivered in such manner and form as to comply with all applicable laws to make this Agreement the valid and legally binding act and agreement of the County, subject to the approval of the County Commissioners of Kent County, Maryland [.

10.3 The Parties warrant that they shall comply with the State's policy concerning drug and alcohol free workplaces as set forth in COMAR 01.01.1989.18 and 21.11.08, and shall remain in compliance throughout the Term of this Agreement.

11. <u>Entire Agreement</u>

This Agreement, together with any exhibits attached hereto and incorporated by reference, represents the complete, total and final understanding of the Parties and no other understanding or representations oral or written, regarding the subject matter of this Agreement shall be deemed to exist or bind the Parties at the time of the execution.

12. <u>No Waiver</u>

The failure to insist in any one or more instances upon a Party's strict performance of any of its obligations under this Agreement shall be limited to that particular instance, and shall not be deemed or construed as a waiver or relinquishment of the right to require and enforce the future performance of such obligations.

13. Severability

If any term, covenant, or condition of this Agreement is found by a court of competent jurisdiction to be void or unenforceable, then that provision shall be deemed to be deleted and the remaining provisions of this Agreement shall be construed without such provision, and shall, nevertheless, remain in full force and effect as long as the essential terms of this Agreement remain valid, legal, reasonable, and enforceable.

14. Amendments

This Agreement may not be changed, altered, or modified except by written agreement executed by the Parties. Except for any specific provision of this Agreement which is amended in accordance with this Section, this Agreement remains in full force and effect after any such amendment.

15. Miscellaneous

15.1 This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland.

15.2 This Agreement shall not be assignable or transferable without the prior written consent of the Parties.

15.3 Section headings and subheadings in this Agreement are used for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

15.4 This Agreement is for the exclusive benefit of the DHCD and the County. No other person or entity shall have rights under or be deemed a beneficiary of this Agreement.

15.5 This Agreement may be executed in counterparts; all such executed counterparts shall be deemed one agreement. Signatures of the Parties, transmitted by facsimile or by electronic mail printable in tangible form to the other Party, shall be as effective as an original signature delivered by the signing Party.

16. Exhibits

The following Exhibits attached hereto are an integral part of this Agreement and are incorporated herein by reference:

Exhibit A: Federal Funding Acknowledgements and Lobbying Certification

Exhibit B: Response to RFA – Colonel Leonard

Exhibit C: Response to RFA – Dudley Chance

Exhibit D: Response to RFA – Morgnec A

Exhibit E: Response to RFA – Handy Point

Exhibit F: Response to RFA – Morgnec B

Exhibit G: Response to RFA – Morgnec South

Exhibit H: Response to RFA – Newtown

Exhibit I: Response to RFA – Porter's Grove

Exhibit J: Response to RFA – Rileys Mill

Exhibit K: Award Letter – Colonel Leonard

Exhibit L: Award Letter – Dudley Chance

Exhibit M: Award Letter – Morgnec A

Exhibit N: Award Letter – Handy Point

Exhibit O: Award Letter – Morgnec B

Exhibit P: **Award Letter – Morgnec South**

Exhibit Q: **Award Letter – Newtown**

Exhibit R: **Award Letter – Porter's Grove**

Exhibit S: **Award Letter – Rileys Mill**

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed by their proper and duly authorized officers, on the dates identified below.

DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

______________________________ ______________________________

Date

BY: Kenneth C. Holt
Secretary

Approved as to form and legal sufficiency
this______ day of __________, 2021:

____

Assistant Attorney General, DHCD

KENT COUNTY

______________________________ ______________________________

Date

BY: P. Thomas Mason
ITS: President, Commissioners of Kent County

MEMORANDUM OF UNDERSTANDING
REGARDING
FUNDING FOR EXISTING BROADBAND NETWORKS EXPANSION

This Memorandum of Understanding Regarding Funding for Existing Broadband Networks Expansion ("**Agreement**") is made by and between the Department of Housing and Community Development ("**DHCD**"), a principal department of the State of Maryland ("**State**") and the County Commissioners of Kent County, Maryland (the "**County**"). **DHCD** and the **County** are each a "**Party**," and may be collectively referred to as the "**Parties**."

WHEREAS, there is a deficit of broadband resources serving rural residents and businesses in the State; and

WHEREAS, DHCD supports the mission of the State and, in particular, the Office of Statewide Broadband (the "**Office**"), successor to the Governor's Office of Rural Broadband, to deliver broadband internet to communities in Maryland experiencing such a deficit, including rural communities; and

WHEREAS, it is the goal of DHCD, in support of the Office, to aid counties experiencing such a deficit by supporting these counties in implementing solutions to the problem of delivering broadband to unserved residents and businesses; and

WHEREAS, the County seeks funding support for development of seven (7) projects to extend existing broadband service into Unserved Rural Areas ("**Projects**"); and

WHEREAS, the State has received funding from the United States Department of the Treasury, pursuant to Section 9901 of the American Rescue Plan Act (H.R. 1319), and any applicable rules and regulations related thereto; and

WHEREAS, the purpose of this funding is to address the economic consequences of the COVID-19 pandemic by facilitating, among other things, increased public investment in broadband infrastructure; and

WHEREAS, the State has allocated a portion of this funding to DHCD for the purpose of supporting broadband infrastructure and deployment; and

WHEREAS, federal funding being made available to DHCD for this purpose will allow DHCD to aid the County by providing more increased funding than originally announced in the Request for Applications, in addition to allowing the County to provide a more reduced match than originally required in the Request for Applications.

NOW, THEREFORE, in consideration of the mutual commitments made herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Recitals

The Recitals set forth above are hereby incorporated and made a part of this Agreement.

2. Term

The term of this Agreement shall begin after all appropriate Party approvals have been obtained and the Agreement has been executed by all Parties, and will terminate on December 31, 2022, unless earlier terminated pursuant to Section 5 hereof.

3. Definitions

3.1 "**County Match**" means the funds committed to the Project by the County and, if applicable, the ISP Partner, to match the funding committed by the Department to the Projects under this Agreement.

3.2 "**ISP**" means the internet service provider partnering with the County for the Projects, ThinkBig Networks, LLC.

3.3 "**Minimum Network Requirements**" means a minimum internet connectivity of 100 Mbps down and 100 Mbps up with a maximum latency of 50 milliseconds measured at the served subscribers' location.

3.4 "**Projects**" means the County's projects to extend broadband services into Unserved Rural Areas, as described in detail in the County's responses to the RFA, attached hereto as Exhibits B through H, and as individually named in Section 4.1.

3.5 "**Project Areas**" means the geographic areas to be served with internet connectivity as a result of the Projects. Each Project Area must be located within an Unserved Rural Area.

3.6 "**RFA**" means the *Governor's Office of Rural Broadband Request for Applications FY21 Expansion of Existing Broadband Networks Funding Program for Unserved Rural Areas* published on November 4, 2020.

3.7 "**Unserved Rural Area**" means a geographic area lacking terrestrial, fixed internet service at speeds above 25 Mbps download and 3 Mbps upload, falling within a Census Rural Area.

4. <u>Obligations of Parties</u>

4.1 DHCD

4.1.1 Funding. To support the Projects, DHCD commits to providing funding to the County, on a reimbursement basis, in an amount not to exceed Two Hundred Forty-Two Thousand, Forty-Six Dollars ($242,046.00) ("**Funding**"). Reimbursement funding per Project is available as follows and as committed in the Award Letters attached as Exhibits I through O:

Project Name	Not to Exceed Amount
Allens Lane	Twenty-One Thousand, Five Hundred Seventy-Seven Dollars ($21,577.00)
Green Lane	Twenty-Six Thousand, Three Hundred Fifty-Two Dollars ($26,352.00)
Irelands Corner	Thirty Three Thousand, Eight Hundred Thirty Dollars ($33,830.00)
Locust Grove	Seventeen Thousand, Three Hundred Sixty-Two Dollars ($17,362.00)
Sassafras	One Hundred Thousand, Seven Hundred Twelve Dollars ($100,712.00)
Scott's Lane	Twenty Thousand, Seven Dollars ($20,007.00)
Still Pond	Twenty-Two Thousand, Two Hundred Six Dollars ($22,206.00)

The following conditions apply to all Funding:

4.1.1.1 Funding shall only be provided for actual, eligible Project costs;

4.1.1.2 Funding shall not exceed sixty percent (60%) of the actual Project cost;

4.1.1.3 Funding shall only be provided to the extent that the County Match is provided, as described in Section 4.2.2.1.3 below.

4.1.1.4 Eligible Project costs are costs relating to the capital assets required to provide service, meeting Minimum Network Requirements, to end user subscribers within the Project Area.

4.1.2 Invoicing and reimbursement.

4.1.2.1 The County shall submit invoices for reimbursement of eligible Project costs, with supporting documentation to DHCD, with a courtesy copy to the Office, for reimbursement of Project costs no later than thirty (30) days after County payment of Project costs. Invoices must include the following information:

4.1.2.1.1 Date of invoice;

4.1.2.1.2 Specific Project for which reimbursement is being sought;

4.1.2.1.3 Date and description of expense or service for which reimbursement is requested;

4.1.2.1.4 Cumulative Project cost to-date for that Project;

4.1.2.1.5 Cumulative DHCD reimbursements to-date for that Project;

4.1.2.1.6 Percentage of overall Project cost paid by DHCD to-date.

4.1.2.2 In conjunction with each reimbursement request submitted to DHCD, the County shall provide a report to the Office setting forth the number of unserved homes in the past, the number of initial subscribers since the expansion (if any), and the number of fiber miles placed.

4.1.2.3 DHCD or the Office may require the submission of additional supporting documentation.

4.1.2.4 Reimbursements may be made on paid or unpaid invoices.

4.1.2.5 DHCD will make reimbursements within sixty (60) days after approval of an invoice submitted pursuant to 4.1.2.1.

4.1.3 Discretion. DHCD, in its sole discretion, may approve or deny reimbursement requests made pursuant to Section 4.1.1. In reviewing, approving, and processing funding requests, DHCD may consult with the Office.

4.2 The County

4.2.1 Eligibility for Funding.

4.2.1.1 The County is a grantee of funds from DHCD and this agreement constitutes a grant agreement.

4.2.1.2 The County must fully execute each Project for funding to be awarded. In the event that the County defaults on this obligation, funding may be recalled by DHCD as to any uncompleted Project.

4.2.2 Projects

4.2.2.1 The Projects must meet the following criteria for funding to be provided pursuant Section 4.1.

4.2.2.1.1 The Projects must serve an Unserved Rural Area.

4.2.2.1.2 The Project must meet Minimum Network Requirements.

4.2.2.1.3 A County Match in the amount of $0.6667 for every One Dollar ($1.00) of funding provided by DHCD is required.

4.2.2.1.4 The Projects will conform in all material respects with the County's responses to the RFA, attached hereto as Exhibits B through H, as limited in scope by the Award Letters, attached hereto as Exhibits I through O. The scope of the Project may be further modified with the written approval of DHCD, in consultation with the Office.

4.2.2.2 The Projects will be owned by the County or the ISP. The County is responsible for overall funding and implementation of the Projects. The County's pass through funding to the ISP is contingent upon receipt of funds from DHCD.

4.2.2.3 The County will seek the assistance and advice of the Office in executing the Projects. The County will accept the Office's advice and suggestions in good faith.

5. <u>Early Termination</u>

5.1. If a Party fails to fulfill any or all of its obligations under this Agreement properly and on time, or otherwise violates any provision of this Agreement, any non-defaulting Party may terminate this Agreement by giving thirty (30) days prior written notice of such default to each other Party. The non-defaulting Party shall allow thirty (30) days for a defaulting Party to cure said default. If the default is not cured within the thirty (30) day cure period, a non-defaulting Party may terminate this Agreement without further notice. If the County is a signatory to multiple agreements with DHCD that fund projects expanding broadband, the County acknowledges that, in DHCD's sole discretion, a default under the terms of this Agreement which is not cured within the thirty (30) day cure period shall be grounds for DHCD to terminate all pending Pilot Project/Expansion of Broadband memoranda of understanding between DHCD and the County. The thirty (30) day notice of default shall specify the acts or omissions which, uncured, will be relied upon for termination.

5.2 DHCD may terminate this Agreement for convenience upon sixty (60) days' notice to the County. In the event of an early termination under this Section, the County will be reimbursed all reasonable costs incurred prior to the date of notice of termination, pursuant to Section 4.1.1.

5.3 Funding under this Agreement is subject to budget constraints and legislative approvals. If funds are not appropriated or made available to DHCD for the amounts identified in this Agreement, this Agreement shall be automatically terminated, without any action required. DHCD shall receive appropriation of necessary funds prior to the County's implementation of the Projects.

6. <u>Notices</u>

All notices required under this Agreement shall be made in writing, delivered by first-class mail (with a courtesy copy by e-mail), and deemed received three (3) days after mailing. All notices shall be directed as follows:

If for DHCD, to:

Kenneth C. Holt
Secretary
Department of Housing and Community Development
7800 Harkins Road
Lanham, MD 20706
With courtesy e-mail to: kenneth.holt@maryland.gov

and

Kenrick Gordon
Director, Office of Statewide Broadband
Department of Housing and Community Development
7800 Harkins Road
Lanham, MD 20706
With courtesy e-mail to: kenrick.gordon@maryland.gov

If for the County, to:

Shelley L. Heller
County Administrator
County Commissioners of Kent County, Maryland
400 High Street
Chestertown, MD 21620
With courtesy e-mail to: sheller@kentgov.org

and

Thomas N. Yeager, Esq.
Law Office of Thomas N. Yeager
203 Maple Avenue
Chestertown, MD 21620
With a courtesy email to: tyeager@kentgov.org

7. <u>Liability</u>

7.1 Each Party assumes sole responsibility for the obligations to be performed by it under this Agreement.

7.2 To the extent permitted by law, the County shall defend, indemnify, and hold harmless DHCD, the Office, and the State, from and against any and all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs, expenses, and proceedings of any kind whatsoever (including but not limited to reasonable attorney's and expert's fees and costs), whether or not involving a third-party claim, that are caused by, relate to, or arise from any breach of this Agreement or any direct or indirect, willful or negligent, act or omission by the County, its officials, employees, or agents, in connection with the subject of this Agreement, unless such claims arise from or are the sole result of intentional misconduct or gross negligence of the party seeking to enforce this right to indemnification. The County's obligation to defend, indemnify, and hold harmless DHCD, the Office, and the State, shall survive the termination of this Agreement.

7.3 In any agreement for execution of the Project with the ISP, the County shall require the ISP to defend, indemnify, and hold harmless DHCD, the Office, and the State, from and against any and all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs, expenses, and proceedings of any kind whatsoever (including but not limited to reasonable attorney's and expert's fees and costs), whether or not involving a third-party claim, that are caused by, relate to, or arise from any breach of this Agreement or any direct or indirect, willful or negligent, act or omission by the ISP, its officers, employees, or agents, in connection with the subject of this Agreement, unless such claims arise from or are the sole result of intentional misconduct or gross negligence of the party seeking to enforce this right to indemnification.

7.4 Nothing provided in this Agreement shall be construed as a waiver of the Tort Claims Acts and related funding provisions or the defense of governmental immunity by the Parties as to any third party.

7.5 It is hereby stipulated and agreed between the Parties that with respect to any tort claim or action arising out of any services performed under or pursuant to this Agreement, each Party shall only be liable for payment of that portion of any and all liability, costs, expenses, demands, settlements, or judgments resulting from the negligence, actions or omissions of its own agents, officers and employees. In any action or claim arising out of any services performed under or pursuant to this Agreement, each Party shall assume the defense of itself, its own officers, agents or employees in accordance with the Maryland Tort Claims Act, Md. Code Ann., State Gov't Art., §12-101, *et seq*. and the Maryland Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. § 5-301, *et seq*., as the case may be.

7.6 Each Party shall immediately notify the other of any claim or suit made or filed against them or their subcontractors regarding any matter resulting from or relating to their obligations under this Agreement and will cooperate, assist, and consult with the other Party in the defense or investigation of any claim, suit, or action made or filed against any of the Parties relating to the obligations of such Party under this Agreement.

8. <u>Records</u>

The County will maintain accurate records of all documents relating to this Agreement, all expenses incurred under this Agreement, and all services provided to the County for which reimbursement is made under Section 4.1.1. The County shall make the records and its administrative offices, personnel, consultants, or volunteers who are involved in the implementation of this Agreement available to representatives of the U.S. Treasury, DHCD or the Office upon request. All such records shall be maintained for a period of three (3) years after funding is provided by DHCD, or for any applicable period of limitations under federal law, whichever is longer. In cases where unresolved audit questions may require retention of some or all of said records for a longer period, the County will turn over all records that may be required to be retained beyond the three (3) year period identified herein to DHCD.

9. <u>Compliance with Laws</u>

Each Party to this Agreement hereby represents and warrants that it shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Agreement.

10. <u>Certifications</u>

10.1 The Parties agree to not discriminate in any manner against any employee or applicant for employment because of race, color, religion, creed, age, sex, familial status, marital status, national origin, ancestry, or physical or mental disability or any other characteristic forbidden as a basis for discrimination by applicable laws. The Parties agree to comply with other non-discrimination provisions of federal and State law.

10.2 The signatory for the County in this Agreement is an official of the County authorized to act in connection with the matters described in this Agreement. This Agreement has been duly authorized, executed, and delivered in such manner and form as to comply with all applicable laws to make this Agreement the valid and legally binding act and agreement of the County, subject to the approval of the County Commissioners of Kent County, Maryland [.

10.3 The Parties warrant that they shall comply with the State's policy concerning drug and alcohol free workplaces as set forth in COMAR 01.01.1989.18 and 21.11.08, and shall remain in compliance throughout the Term of this Agreement.

11. <u>Entire Agreement</u>

This Agreement, together with any exhibits attached hereto and incorporated by reference, represents the complete, total and final understanding of the Parties and no other understanding or representations oral or written, regarding the subject matter of this Agreement shall be deemed to exist or bind the Parties at the time of the execution.

12. <u>No Waiver</u>

The failure to insist in any one or more instances upon a Party's strict performance of any of its obligations under this Agreement shall be limited to that particular instance, and shall not be deemed or construed as a waiver or relinquishment of the right to require and enforce the future performance of such obligations.

13. Severability

If any term, covenant, or condition of this Agreement is found by a court of competent jurisdiction to be void or unenforceable, then that provision shall be deemed to be deleted and the remaining provisions of this Agreement shall be construed without such provision, and shall, nevertheless, remain in full force and effect as long as the essential terms of this Agreement remain valid, legal, reasonable, and enforceable.

14. Amendments

This Agreement may not be changed, altered, or modified except by written agreement executed by the Parties. Except for any specific provision of this Agreement which is amended in accordance with this Section, this Agreement remains in full force and effect after any such amendment.

15. Miscellaneous

15.1 This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland.

15.2 This Agreement shall not be assignable or transferable without the prior written consent of the Parties.

15.3 Section headings and subheadings in this Agreement are used for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

15.4 This Agreement is for the exclusive benefit of the DHCD and the County. No other person or entity shall have rights under or be deemed a beneficiary of this Agreement.

15.5 This Agreement may be executed in counterparts; all such executed counterparts shall be deemed one agreement. Signatures of the Parties, transmitted by facsimile or by electronic mail printable in tangible form to the other Party, shall be as effective as an original signature delivered by the signing Party.

16. <u>Exhibits</u>

The following Exhibits attached hereto are an integral part of this Agreement and are incorporated herein by reference:

Exhibit A: Federal Funding Acknowledgements and Lobbying Certification

Exhibit B: Response to RFA – Allens Lane

Exhibit C: Response to RFA – Green Lane

Exhibit D: Response to RFA – Irelands Corner

Exhibit E: Response to RFA – Locust Grove

Exhibit F: Response to RFA – Sassafras

Exhibit G: Response to RFA – Scott's Lane

Exhibit H: Response to RFA – Still Pond

Exhibit I: Award Letter – Allens Lane

Exhibit J: Award Letter – Green Lane

Exhibit K: Award Letter – Irelands Corner

Exhibit L: Award Letter – Locust Grove

Exhibit M: Award Letter – Sassafras

Exhibit N: Award Letter – Scott's Lane

Exhibit O: Award Letter – Still Pond

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed by their proper and duly authorized officers, on the dates identified below.

DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

______________________________ ______________________________

Date BY: Kenneth C. Holt
Secretary

Approved as to form and legal sufficiency
this______ day of __________, 2021:

____

Assistant Attorney General, DHCD

KENT COUNTY

______________________________ ______________________________

Date BY: P. Thomas Mason
ITS: President, Commissioners of Kent County

Scott Boone, Director, Information Technology
5/25/2021
County Commissioners Meeting

Item Summary:
Request to Amend Lease Agreement with Centric Business Systems

ATTACHMENTS:

Description

Co-Term Lease Agreement

Centric Order Agreement

US Bank EQUIPMENT FINANCE

Value Lease Supplement & Amendment of Master Agreement

APPLICATION NO.	MASTER AGREEMENT NO.	SUPPLEMENT NO.
	500-06223642-000	

CUSTOMER INFORMATION

FULL LEGAL NAME			STREET ADDRESS	
County Commissioners of Kent County			400 High Street	
CITY	STATE	ZIP	PHONE	FAX
Chestertown	MD	21620		

EQUIPMENT LOCATION (IF DIFFERENT FROM ABOVE)

EQUIPMENT DESCRIPTION

MAKE/MODEL/ACCESSORIES	SERIAL NO.	STARTING METER	NOT FINANCED UNDER THIS AGREEMENT
Sharp MX-FN28/ 1K Stacking 50 Sheet Staple Finisher			☐
			☐
			☐
			☐
			☐

together with all replacements, parts, repairs, additions, and accessions incorporated therein or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.

☐ See attached Schedule A ☐ See attached Billing Schedule

EQUIPMENT REMOVED FROM ABOVE-REFERENCED MASTER AGREEMENT AND/OR PREVIOUS SUPPLEMENT(S), AS APPLICABLE

MAKE/MODEL/ACCESSORIES	SERIAL NO.	ENDING METER	NOT FINANCED UNDER THIS AGREEMENT
			☐
			☐

TERM *(Complete One Term Option)*

______ Mos. Term applies to this Agreement (as defined below) only.

57 Mos. The end of term of this Agreement shall coincide with the end of term date set forth in the above-referenced Master Agreement and/or previous supplement(s), as applicable.

PAYMENT *(Complete One Payment Option) (Note: The payment period is monthly unless otherwise indicated.)*

Payment Amount* $ ________ *(amounts due under this Agreement only).* *If you are exempt from sales tax, attach your certificate.* **plus applicable taxes*

Consolidated Payment Amount* $ 4,457.73 *(amounts due under this Agreement, the above-referenced Master Agreement, and/or previous supplement(s), as applicable).*

______ By initialing here, you agree that maintenance and supplies are not included in this Agreement and Paragraph 13 from the above-referenced Master Agreement shall not apply to this Agreement. *(If initialed, the below Allowances & Overages section does not apply).*

CONNECTIVITY SERVICE OPTION *(By selecting "YES" you agree that the Monthly Connectivity Service Fee will be added to this Agreement's monthly invoice.)*

Do you wish to enroll or adjust your enrollment in the Connectivity Service Program? ☐ Yes ***OR*** ☒ No Monthly Connectivity Service Fee* $ ______

ALLOWANCES & OVERAGES *(Select One Option) (Note: If no box is checked, then Allowances and Overages shall apply to the Equipment on this Agreement only.)*

☐ Amounts apply to the Equipment on this Agreement only.

☒ Amounts apply to the Equipment on this Agreement, together with the Equipment listed on the above-referenced Master Agreement and/or previous supplement(s), as applicable.

	Monthly Page Allowance				Overages billed quarterly at*			
on Copiers:	no change	B&W Pages	no change	Color Pages	$ no change	per B&W page	$ no change	per Color page
on Printers:		B&W Pages		Color Pages	$	per B&W page	$	per Color page
on Production:		B&W Pages		Color Pages	$	per B&W page	$	per Color page

LESSOR ACCEPTANCE

U.S. Bank Equipment Finance			
LESSOR	SIGNATURE	TITLE	DATED

CUSTOMER ACCEPTANCE

The "Master Agreement" refers to the Value Lease Agreement between Customer and Lessor identified in Lessor's records by the Master Agreement no. referenced above. **All of the terms and conditions of the Master Agreement are hereby amended and replaced with the terms and conditions below and attached on page 2 hereto, which shall apply to this Value Lease Supplement and all future supplements to the Master Agreement.** This Value Lease Supplement incorporates by reference the terms and conditions of the Master Agreement and constitutes an agreement between you and us with respect to the Equipment referenced herein, separate and distinct from the Master Agreement. We agree to lease to you the Equipment described above on the terms set forth in this Value Lease Supplement, together with the terms and conditions set forth in the Master Agreement (collectively, the "Agreement"). If any provision in this Value Lease Supplement conflicts with a provision in the Master Agreement, the provision in this Value Lease Supplement shall control. **BY SIGNING BELOW OR AUTHENTICATING AN ELECTRONIC RECORD HEREOF, YOU CERTIFY THAT YOU HAVE REVIEWED AND DO AGREE TO ALL TERMS AND CONDITIONS OF THE MASTER AGREEMENT (AS AMENDED HERETO) AND THIS VALUE LEASE SUPPLEMENT.**

County Commissioners of Kent County	X		
CUSTOMER (as referenced above)	SIGNATURE	TITLE	DATED

TERMS AND CONDITIONS

1. **AGREEMENT:** You agree to lease from us the goods, together with all replacements, parts, repairs, additions, and accessions incorporated therein or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries ("Equipment") and, if applicable, finance certain software, software license(s), software components and/or professional services in connection with software (collectively, the "Financed Items," which are included in the word "Equipment" unless separately stated) from software licensor(s) and/or supplier(s) (collectively, the "Supplier"), all as described in this Agreement and in any attached schedule, addendum or amendment hereto ("Agreement"). You represent and warrant that you will use the Equipment for business purposes only. You agree to all of the terms and conditions contained in this Agreement, which, with the acceptance certification, is the entire agreement between you and us regarding the Equipment and which supersedes any purchase order, invoice, request for proposal, response or other related document. This Agreement becomes valid upon execution by us. If maintenance and supplies are not included, the term shall start on the date we pay Supplier and the first Payment is due 30 days after the start of this Agreement and each Payment thereafter shall be due on the same day of each month (the "Scheduled Due Date") unless a different due date is mutually agreed to by us and you. If the parties agree to adjust the Payment due date (an "Adjusted Due Date"), in addition to all Payments and other amounts due hereunder, you will pay an interim payment in an amount equal to 1/30th of the Payment, multiplied by the number of days between the Scheduled Due Date and the Adjusted Due Date. If any provision of this Agreement is declared unenforceable, the other provisions herein shall remain in full force and effect to the fullest extent permitted by law. *(Continued on Page 2)*

2. **OWNERSHIP; PAYMENTS; TAXES AND FEES:** We own the Equipment, excluding any Financed Items. Ownership of any Financed Items shall remain with Supplier thereof. You will pay all Payments, as adjusted, when due, without notice or demand and without abatement, set-off, counterclaim or deduction of any amount whatsoever. If any part of a Payment is more than 5 days late, you agree to pay a late charge of 10% of the Payment which is late or, if less, the maximum charge allowed by law. The Payment may be adjusted proportionately upward or downward: (i) if the shipping charges or taxes differ from the estimate given to you; and/or (ii) to comply with the tax laws of the state in which the Equipment is located. You shall pay all applicable taxes, assessments and penalties related to this Agreement, whether levied or assessed on this Agreement, on us (except on our income) or you, or on the Equipment, its lease, sale, ownership, possession, use or operation. If we pay any taxes or other expenses that are owed hereunder, you agree to reimburse us when we request. You agree to pay us a yearly processing fee of up to $50 for personal property taxes we pay related to the Equipment. You agree to pay us a fee of up to $50 for filing and/or searching costs required under the Uniform Commercial Code ("UCC") or other laws. You agree to pay us an origination fee of up to $125 for all closing costs. We may apply all sums received from you to any amounts due and owed to us under the terms of this Agreement. If for any reason your check is returned for insufficient funds, you will pay us a service charge of $30 or, if less, the maximum charge allowed by law. We may make a profit on any fees, estimated tax payments and other charges paid under this Agreement.

3. **EQUIPMENT; SECURITY INTEREST:** At your expense, you shall keep the Equipment: (i) in good repair, condition and working order, in compliance with applicable laws, ordinances and manufacturers' and regulatory standards; (ii) free and clear of all liens and claims; and (iii) at your address shown on page 1, and you agree not to move it unless we agree in writing. You grant us a security interest in the Equipment to secure all amounts you owe us under this Agreement or any other agreement with us ("Other Agreements"), except amounts under Other Agreements which are secured by land and/or buildings. You authorize and ratify our filing of any financing statement(s) to show our interest. You will not change your name, state of organization, headquarters or residence without providing prior written notice to us. You will notify us within 30 days if your state of organization revokes or terminates your existence.

4. **INSURANCE; COLLATERAL PROTECTION; INDEMNITY; LOSS OR DAMAGE:** You agree to keep the Equipment fully insured against all risk, with us named as lender's loss payee, in an amount not less than the full replacement value of the Equipment until this Agreement is terminated. You also agree to maintain commercial general liability insurance with such coverage and from such insurance carrier as shall be satisfactory to us and to include us as an additional insured on the policy. You will provide written notice to us within 10 days of any modification or cancellation of your insurance policy(s). You agree to provide us certificates or other evidence of insurance acceptable to us. If you do not provide us with acceptable evidence of property insurance within 30 days after the start of this Agreement, we may, at our sole discretion, charge you a monthly property damage surcharge of up to .0035 of the Equipment cost as a result of our credit risk and administrative and other costs, as would be further described on a letter from us to you. We may make a profit on this program. NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF RESPONSIBILITY FOR LIABILITY INSURANCE ON THE EQUIPMENT. We are not responsible for, and you agree to hold us harmless and reimburse us for and to defend on our behalf against, any claim for any loss, expense, liability or injury caused by or in any way related to delivery, installation, possession, ownership, leasing, manufacture, use, condition, inspection, removal, return or storage of the Equipment. All indemnities will survive the expiration or termination of this Agreement. You are responsible for any loss, theft, destruction or damage to the Equipment ("Loss"), regardless of cause, whether or not insured. You agree to promptly notify us in writing of any Loss. If a Loss occurs and we have not otherwise agreed in writing, you will promptly pay to us the unpaid balance of this Agreement, including any future Payments to the end of the term plus the anticipated residual value of the Equipment, both discounted to present value at 2%. Any proceeds of insurance will be paid to us and credited against the Loss. You authorize us to sign on your behalf and appoint us as your attorney-in-fact to endorse in your name any insurance drafts or checks issued due to a Loss.

5. **ASSIGNMENT: YOU SHALL NOT SELL, TRANSFER, ASSIGN, ENCUMBER, PLEDGE OR SUBLEASE THE EQUIPMENT OR THIS AGREEMENT, without our prior written consent.** You shall not consolidate or merge with or into any other entity, distribute, sell or dispose of all or any substantial portion of your assets other than in the ordinary course of business, without our prior written consent, and the surviving, or successor entity or the transferee of such assets, as the case may be, shall assume all of your obligations under this Agreement by a written instrument acceptable to us. No event shall occur which causes or results in a transfer of majority ownership of you while any obligations are outstanding hereunder. We may sell, assign, or transfer this Agreement without notice to or consent from you. You agree that if we sell, assign or transfer this Agreement, our assignee will have the same rights and benefits that we have now and will not have to perform any of our obligations. **You agree that our assignee will not be subject to any claims, defenses, or offsets that you may have against us.** This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

6. **DEFAULT AND REMEDIES:** You will be in default if: (i) you do not pay any Payment or other sum due to us or you fail to perform in accordance with the covenants, terms and conditions of this Agreement or any other agreement with us or any of our affiliates or fail to perform or pay under any material agreement with any other entity; (ii) you make or have made any false statement or misrepresentation to us; (iii) you or any guarantor dies, dissolves, liquidates, terminates existence or is in bankruptcy; (iv) you or any guarantor suffers a material adverse change in its financial, business or operating condition; or (v) any guarantor defaults under any guaranty for this Agreement. If you are ever in default, at our option, we can cancel this Agreement and require that you pay the unpaid balance of this Agreement, including any future Payments to the end of term plus the anticipated residual value of the Equipment, both discounted to present value at 2%. We may recover default interest on any unpaid amount at the rate of 12% per year. Concurrently and cumulatively, we may also use any remedies available to us under the UCC and any other law and we may require that you immediately stop using any Financed Items. If we take possession of the Equipment, you agree to pay the costs of repossession, moving, storage, repair and sale. The net proceeds of the sale of any Equipment will be credited against what you owe us under this Agreement and you will be responsible for any deficiency. In the event of any dispute or enforcement of our rights under this Agreement or any related agreement, you agree to pay our reasonable attorneys' fees (including any incurred before or at trial, on appeal or in any other proceeding), actual court costs and any other collection costs, including any collection agency fee. WE SHALL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES FOR ANY DEFAULT, ACT OR OMISSION BY ANYONE. Any delay or failure to enforce our rights under this Agreement will not prevent us from enforcing any rights at a later time. You agree that this Agreement is a "Finance Lease" as defined by Article 2A of the UCC and your rights and remedies are governed exclusively by this Agreement. You waive all rights under sections 2A-508 through 522 of the UCC. If interest is charged or collected in excess of the maximum lawful rate, we will refund such excess to you, which will be your sole remedy.

7. **INSPECTIONS AND REPORTS:** We have the right, at any reasonable time, to inspect the Equipment and any documents relating to its installation, use, maintenance and repair. Within 30 days after our request (or such longer period as provided herein), you will deliver all requested information (including tax returns) which we deem reasonably necessary to determine your current financial condition and faithful performance of the terms hereof. This may include: (i) compiled, reviewed or audited annual financial statements (including, without limitation, a balance sheet, a statement of income, a statement of cash flow, a statement of changes in equity and notes to financial statements) within 120 days after your fiscal year end, and (ii) management-prepared interim financial statements within 45 days after the requested reporting period(s). Annual statements shall set forth the corresponding figures for the prior fiscal year in comparative form, all in reasonable detail without any qualification or exception deemed material by us. Unless otherwise accepted by us, each financial statement shall be prepared in accordance with generally accepted accounting principles consistently applied and shall fairly and accurately present your financial condition and results of operations for the period to which it pertains. You authorize us to obtain credit bureau reports for credit and collection purposes and to share them with our affiliates and agents.

8. **END OF TERM:** You will have the following option, which you may exercise at the end of the term, provided that no event of default under this Agreement has occurred and is continuing. Fair Market Value means the value of the Equipment in continued use. Purchase all of the Equipment for its Fair Market Value, renew this Agreement, or return the Equipment. At the end of the initial term, this Agreement shall renew for successive 12-month renewal term(s) under the same terms hereof unless you send us written notice between 90 and 150 days before the end of the initial term or at least 30 days before the end of any renewal term that you want to purchase or return the Equipment, and you timely purchase or return the Equipment. You shall continue making Payments and paying all other amounts due until the Equipment is purchased or returned. As long as you have given us the required written notice, if you do not purchase the Equipment, you will return all of the Equipment to a location we specify, at your expense, in retail re-saleable condition, full working order and complete repair. YOU ARE SOLELY RESPONSIBLE FOR REMOVING ANY DATA THAT MAY RESIDE IN THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO HARD DRIVES, DISK DRIVES OR ANY OTHER FORM OF MEMORY.

9. **USA PATRIOT ACT NOTICE; ANTI-TERRORISM AND ANTI-CORRUPTION COMPLIANCE:** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each customer who opens an account. When you enter into a transaction with us, we ask for your business name, address and other information that will allow us to identify you. We may also ask to see other documents that substantiate your business identity. You and any other person who you control, own a controlling interest in, or who owns a controlling interest in or otherwise controls you in any manner ("Representatives") are and will remain in full compliance with all laws, regulations and government guidance concerning foreign asset control, trade sanctions, embargoes, and the prevention and detection of money laundering, bribery, corruption, and terrorism, and neither you nor any of your Representatives is or will be listed in any Sanctions-related list of designated persons maintained by the U.S. Department of Treasury's Office of Foreign Assets Control or successor or the U.S. Department of State. You shall, and shall cause any Representative to, provide such information and take such actions as are reasonably requested by us in order to assist us in maintaining compliance with anti-money laundering laws and regulations.

10. **MISCELLANEOUS:** Unless otherwise stated in an addendum hereto, the parties agree that: (i) this Agreement and any related documents hereto may be authenticated by electronic means; (ii) the "original" of this Agreement shall be the copy that bears your manual, facsimile, scanned or electronic signature and that also bears our manually or electronically signed signature and is held or controlled by us; and (iii) to the extent this Agreement constitutes chattel paper (as defined by the UCC), a security interest may only be created in the original. You agree not to raise as a defense to the enforcement of this Agreement or any related documents that you or we executed or authenticated such documents by electronic or digital means or that you used facsimile or other electronic means to transmit your signature on such documents. Notwithstanding anything to the contrary herein, we reserve the right to require you to sign this Agreement or any related documents hereto manually and to send to us the manually signed, duly executed documents via overnight courier on the same day that you send us the facsimile, scanned or electronic transmission of the documents. You agree to execute any further documents that we may request to carry out the intents and purposes of this Agreement. Whenever our consent is required, we may withhold or condition such consent in our sole discretion, except as otherwise expressly stated herein. From time to time, Supplier may extend to us payment terms for Equipment financed under this Agreement that are more favorable than what has been quoted to you or the general public, and we may provide Supplier information regarding this Agreement if Supplier has assigned or referred it to us. All notices shall be mailed or delivered by facsimile transmission or overnight courier to the respective parties at the addresses shown on this Agreement or such other address as a party may provide in writing from time to time. By providing us with a telephone number for a cellular phone or other wireless device, including a number that you later convert to a cellular number, you are expressly consenting to receiving communications, including but not limited to prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system, from us and our affiliates and agents at that number. This express consent applies to each such telephone number that you provide to us now or in the future and permits such calls for non-marketing purposes. Calls and messages may incur access fees from your cellular provider. You authorize us to make non-material amendments (including completing and conforming the description of the Equipment) on any document in connection with this Agreement. Unless stated otherwise herein, all other modifications to this Agreement must be in writing and signed by each party or in a duly authenticated electronic record. This Agreement may not be modified by course of performance.

11. **WARRANTY DISCLAIMERS:** WE ARE LEASING THE EQUIPMENT TO YOU "AS-IS." YOU HAVE SELECTED SUPPLIER AND THE EQUIPMENT BASED UPON YOUR OWN JUDGMENT. WE DO NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. SUPPLIER IS NOT AN AGENT OF OURS AND WE ARE NOT AN AGENT OF SUPPLIER, AND NOTHING SUPPLIER STATES OR DOES CAN AFFECT YOUR OBLIGATIONS HEREUNDER. **YOU WILL MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST ANY SUPPLIER, LICENSOR OR MANUFACTURER, AND ANY FAILURE OF A SERVICE PROVIDER TO PROVIDE SERVICES WILL NOT EXCUSE YOUR OBLIGATIONS TO US UNDER THIS AGREEMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, OF, AND TAKE ABSOLUTELY NO RESPONSIBILITY FOR, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, CONDITION, QUALITY, ADEQUACY, TITLE, DATA ACCURACY, SYSTEM INTEGRATION, FUNCTION, DEFECTS, INFRINGEMENT OR ANY OTHER ISSUE IN REGARD TO THE EQUIPMENT, ANY ASSOCIATED SOFTWARE AND ANY FINANCED ITEMS.** SO LONG AS YOU ARE NOT IN DEFAULT UNDER THIS AGREEMENT, WE ASSIGN TO YOU ANY WARRANTIES IN THE EQUIPMENT GIVEN TO US.

12. **LAW; JURY WAIVER:** This Agreement will be governed by and construed in accordance with Minnesota law. You consent to jurisdiction and venue of any state or federal court in Minnesota and waive the defense of inconvenient forum. For any action arising out of or relating to this Agreement or the Equipment**, BOTH PARTIES WAIVE ALL RIGHTS TO A TRIAL BY JURY**.

13. **MAINTENANCE AND SUPPLIES:** Unless indicated otherwise on page 1, you have elected to enter into a separate arrangement with Supplier for maintenance, inspection, adjustment, parts replacement, drums, cleaning material required for proper operation and toner and developer ("Arrangement"). You agree to pay all amounts owing under this Agreement regardless of any claim you have against Supplier relating to the Arrangement. Supplier will be solely responsible for performing all services and providing all supplies under the Arrangement. You agree not to hold Lessor (if different from Supplier) or any assignee of this Agreement responsible for Supplier's obligations under the Arrangement. As a convenience to you, we will provide you with one invoice covering amounts owing under this Agreement and the Arrangement. If necessary, Supplier's obligations to you under the Arrangement may be assigned by us. We may charge you a monthly supply freight fee to cover the costs of shipping supplies to you. Each month, you are entitled to produce the minimum number of pages shown on page 1 for each applicable page type. Regardless of the number of pages made, you will never pay less than the minimum Payment. You agree to provide periodic meter readings on the Equipment. You agree to pay the applicable overage charge for each metered page that exceeds the applicable minimum number of pages. Pages made on equipment marked as not financed under this Agreement will be included in determining your page and overage charges. At the end of the first year of this Agreement, and once each successive 12-month period thereafter, the maintenance and supplies portion of the Payment and the overage charges may be increased by a maximum of 15% of the existing payment or charge. In order to facilitate an orderly transition, the start date of this Agreement will be the date the Equipment is delivered to you or a date designated by us, as shown on the first invoice. If a later start date is designated, in addition to all Payments and other amounts due hereunder, you agree to pay us a transitional payment equal to 1/30th of the Payment, multiplied by the number of days between the date the Equipment is delivered to you and the designated start date. The first Payment is due 30 days after the start of this Agreement and each Payment thereafter shall be due on the same day of each month.

14. **CONNECTIVITY SERVICES:** If selected on page 1, you have elected to enter into a separate Connectivity Service Agreement with Supplier for the Equipment ("Connectivity Service Agreement"). Such Connectivity Service Agreement is separate and distinct from this Agreement and shall not affect your obligations under this Agreement. You agree to pay all amounts owing under this Agreement regardless of any claim you may have against Supplier relating to the Connectivity Service Agreement. Supplier will be solely responsible for performing all services under the Connectivity Service Agreement. You agree not to hold Lessor (if different from Supplier) or any assignee of this Agreement responsible for Supplier's obligations under the Connectivity Service Agreement. As a convenience to you, we will provide you with one invoice covering (1) amounts owing under this Agreement and the Arrangement, and (2) amounts owing under the Connectivity Service Agreement.

EQUIPMENT, SOFTWARE & SERVICES AGREEMENT

☐ Hagerstown ☐ Malvern ☐ Owings Mills ☑ Salisbury ☐ Tysons Corner

SOLD TO			SHIP TO	☑ Same as Sold To	
Company Name: County Commissioners of Kent County			Company Name:		
Address: 400 High Street			Address:		
City: Chestertown	State: MD	Zip: 21620	City:	State:	Zip:

CONTACT INFORMATION			
Administrative Contact: April Bitter		IT Contact:	
Email: abitter@kentgov.org		Email:	
Phone: (410) 778-4600	Fax:	Phone:	Fax:

BILLING INFORMATION	
PLEASE SELECT PREFERRED CONTACT METHOD (REQUIRED FOR BILLING)	
Meter Reading Contact:	Phone:
☐ Email:	☐ Fax:

EQUIPMENT INFORMATION

SELECT ONE: ☑ New ☐ In Place ☐ Reconditioned ☐ Demo Unit

IF ADDITIONAL LINES ARE NEEDED, PLEASE REFER TO EQUIPMENT SCHEDULE

Quantity	Manufacturer	Model/Accessories	Unit Price	Extended Price
1	Sharp	1K Stacking 50 Sheet Staple Finisher MX FN28	see	lease

EQUIPMENT PURCHASE TERMS

The equipment identified above (the "Equipment") is purchased under the following standard terms and conditions, which have been acknowledged and accepted by the company or individual identified above, who is purchasing the Equipment pursuant to this Agreement ("Customer"), and such acceptance is evidence by Customer's signature contained on page 4 of this Equipment, Software & Services Agreement (this "Agreement"):

1. Centric Business Systems, Inc. ("Centric") retains a security interest in the Equipment and supplies described above and further in this Agreement until the total price identified herein (the "Purchase Price") is paid in full.

2. If for any reason, Customer fails to complete any of its obligations hereunder, including, but not limited to, making payments when they become due, as indicated on each invoice sent by Centric to Customer, then Centric may, in addition to any other remedies available under law, retain the thirty-three percent (33%) deposit identified herein (the "Deposit") as damages for default hereunder. In the event of a default by Customer after which Centric initiates a formal legal action to recover damages or for other relief, which results in judgment against Customer, Customer shall pay all costs of collection incurred by Centric, including reasonable and necessary attorney fees.
3. Customer understands and hereby acknowledges that Centric has not made and is not bound by any oral or written representations by its sales representatives, unless such representations are explicitly restated in writing within the body of this Agreement. See "Terms and Conditions for Maintenance Programs" on the following pages. This is a binding Agreement for purchase, not subject to cancellation. This Agreement cannot be changed except as agreed to in writing by Centric. A one and a half percent (1.5%) per month late charge (eighteen percent (18%)per annum) will be applied to all balances due which remain outstanding for more than thirty (30) days.
4. All orders are subject to credit approval.
5. The sole remedy for Centric's failure to complete its obligations hereunder shall be the return of the Deposit.
6. If equipment is being leased, see lease agreement for lease terms.

PURCHASE ORDER # ______ (If Required)

SUBTOTAL $ ______

STATE & LOCAL TAX $ ______ (If Exempt, Show Tax ID #)

SETUP, DELIVERY & INSTALLATION $ ______

TOTAL PRICE $ ______

LESS 33% DEPOSIT $ ______

BALANCE DUE $ ______

PLEASE SELECT THE APPLICABLE PROGRAM.

EQUIPMENT, MAINTENANCE & SUPPLY (EMS) LEASE MAINTENANCE PROGRAM

The guaranteed minimum monthly volume included (copies/prints) in the attached lease agreement are outlined below. All toner, developer, drums, parts, and labor (except for paper and staples) will be provided for the contracted equipment. Additional volume is billed at the cost and interval as follows:

☐ EMS Copier (MFD) Black & White
Minimum monthly volume included: ________________
Additional volume billed ____________ @ $________ per page.
(monthly/quarterly)

☐ EMS Copier (MFD) Color
Minimum monthly volume included: ________________
Additional volume billed ____________ @ $________ per page.
(monthly/quarterly)

☐ EMS Printer (FlexPrint) Black & White
Minimum monthly volume included: ________________
Additional volume billed ____________ @ $________ per page.
(monthly/quarterly)

☐ EMS Printer (FlexPrint) Color
Minimum monthly volume included: ________________
Additional volume billed ____________ @ $________ per page.
(monthly/quarterly)

COMPREHENSIVE MAINTENANCE & SUPPLY (CMS) PROGRAM

The minimum volume included (copies/prints) in the agreement are outlined below. All toner, developer, drums, parts, and labor (except for paper and staples) will be provided for the term of the contract. Additional volume is billed at the cost and interval as follows:

☐ CMS Copier (MFD) Black & White
Billed $_________ for __________ documents per __________.
(Included) (month/quarter)
Additional volume billed ____________ @ $________ per page.
(monthly/quarterly)

☐ CMS Copier (MFD) Color
Billed $_________ for __________ documents per __________.
(Included) (month/quarter)
Additional volume billed ____________ @ $________ per page.
(monthly/quarterly)

☐ CMS Printer (FlexPrint) Black & White
Billed $_________ for __________ documents per __________.
(Included) (month/quarter)
Additional volume billed ____________ @ $________ per page.
(monthly/quarterly)

☐ CMS Printer (FlexPrint) Color
Billed $_________ for __________ documents per __________.
(Included) (month/quarter)
Additional volume billed ____________ @ $________ per page.
(monthly/quarterly)

WIDE FORMAT PROGRAMS*

☐ SERVICE ONLY Includes parts and labor for the term of the contract.
☐ SERVICE AND SUPPLIES (Excludes Paper) Includes all toner, drums, parts and labor for the term of the contract.
☐ SERVICE AND SUPPLIES (Includes Paper) Includes all toner, paper, drums, parts and labor for the term of the contract.

Billed $_________ for _________ square feet per_________. Additional square feet billed ____________at $__________per sq ft.
($ or Incld) (month/quarter) (monthly/quarterly)

*All Inkjet Wide Format Programs exclude print heads and supplies.

EQUIPMENT MAINTENANCE PROGRAM

Includes parts and labor for the term of the contract. (Excludes all supplies.)

Drums are ☐ OR are not ☐ included.

Billed $_________ for _________ documents per_________. Additional volume billed ____________at $__________per page.
(month/quarter) (monthly/quarterly)

FASCIMILE PROGRAM

Includes all parts and labor $__________the term of the contract. Excludes all drums and supplies.

SOFTWARE SUPPORT PROGRAM

Solution ________________________
Billed $__________ for ______ year(s). Includes software support, subject to licensing agreement.

CENTRIC CONNECT PROGRAM

This program is to provide our customers with the network support they require to ensure that our equipment is printing, faxing and scanning effectively in their specified network environment. It enables Centric to solve customer issues that are outside of the scope of services in our maintenance agreement for the term of the contract.

☐ Accept All covered units billed $_________ per _________ for ____________multifunctional copiers.
(month/quarter) # of devices
☐ Decline I agree to be billed at prevailing rates for network support.

Customer Initials___________

☐ NO MAINTENANCE COVERAGE OPTION CHOSEN

All programs are subject to the terms and conditions set forth on the following pages.

TERMS AND CONDITIONS FOR MAINTENANCE PROGRAMS

1. **DESCRIPTION**
Customer agrees to purchase, and Centric agrees to provide equipment maintenance services, in accordance with the program selected and the terms and conditions of this Agreement. No terms or conditions, expressed or implied, are authorized unless they appear on original of this Agreement, signed by Customer and an officer of Centric. No change, alteration or amendment of the terms and conditions of this Agreement are authorized or effective unless an officer of Centric has agreed to them in writing.

2. **GENERAL SCOPE OF COVERAGE**
This Agreement covers both the labor and the material required to keep the Equipment in good operating condition. The term "Equipment" refers to any equipment listed on page one of this Agreement or included in Equipment Schedule attached hereto. This Agreement, as specified by the program selected, includes the adjustments, repairs and replacement of parts, which have been broken or worn out during normal usage of the Equipment. Damage or loss resulting from misuse or perils such as fire, theft, water damage, or for any other cause external to the machine, are not covered. The use of unauthorized parts, components, modifications, or personnel to effect repairs or changes will result in billable charges and cause this Agreement to be null and void. This Agreement does not cover service necessitated by use of operating supplies that are defective, creating service problems or not compatible with the Equipment. Centric will not be responsible for any parts or labor required to repair damage to the Equipment by an electrical surge. This Agreement does not cover service caused by malfunctions of parts, attachments, accessories and/or software packages not supplied by or through Centric.

3. **TERM**
This Agreement shall become effective upon acceptance by a Centric Officer and receipt of payment of the charges billed. This Agreement is non-cancelable, and will remain in effect for the term of the lease (purchased units for four years from the date of installation). Subsequent to this initial period, this contract will automatically renew for additional 12 month periods, unless Centric is notified of the customer's intent to cancel via certified mail, 30 days prior to the anniversary of the start date. At the end of the first year of this agreement and once each successive 12 month period, Centric may increase the contract minimum and the price per impression over the minimum. Customer understands that during the term of this Agreement, Centric may require an increase in charges. The color price per copy price which includes toner usages is based on 8 ½" x 11" letter size copies with an average 20% image fill, consistent with industry averages. If Centric determines that you have used more toner than normal (as determined by the manufacturer's toner yield specifications), Centric will invoice an appropriate surcharge to offset such increased usages. Centric also reserves the right to invoice for any excess toner the customer has received and not utilized as evidenced by the final meter reads at the time of contract termination. Any lapse in coverage due to non-conformance of this Agreement will require an acceptable evaluation at prevailing rates prior to reinstating this Agreement.

4. **BREACH OR DEFAULT**
If Customer does not pay all charges for services as provided hereunder, promptly when due; (1) Centric may (a) refuse to provide service or supplies for the Equipment or (b) furnish service on a C.O.D. Parts and Labor basis at published rates with payment made C.O.D. at the time the service is rendered. The forgoing is without prejudice to any other remedies Centric may have. (2) Customer agrees to pay attorney fees, court costs, disbursements, and other reasonable expenses incurred by Centric in collecting any charges under this Agreement.

5. **ASSIGNABILITY**
This Agreement applies specifically to the Equipment and Customer location stated in this Agreement. Customer may not assign its interest in or delegate its duties under this Agreement, unless approved in writing by an officer of Centric. Centric may terminate this Agreement at any time by giving thirty days (30) prior written notice to Customer. If the Agreement is terminated by Centric, the unearned portion of any amounts owed and paid by Customer to Centric pursuant to this Agreement shall be refunded to Customer. If this Agreement is terminated by Customer, any such unearned portion of amounts owed and paid by Customer to Centric pursuant to this Agreement may be applied to an agreement on the Equipment purchase from Centric, if such a situation exists, but in no event will such unearned but paid portion be refunded to Customer.

6. **INDEMNIFICATION**
Customer shall indemnify and hold Centric harmless from any claim, demand, liability, cause of action or damage for actual or alleged infringement of any intellectual property rights or copyrights arising from the performance of services under this Agreement. Customer agrees to defend Centric at Customer's sole expense, against all suits, action or proceedings in which Centric is made a defendant for actual or alleged infringement of any intellectual property rights. Other than as provided above, each party agrees to hold harmless, defend and indemnify the other party against any liability, demand, claim or cause of action for personal injury or property damage due to or arising out of the acts of that party, its agents and employees. However, each party shall have no obligation to hold harmless, defend or indemnify the other from or for liability arising from the other's own intentional or negligent acts. In no event shall Centric be liable to Customer for consequential or indirect damages due to Centric's non-performance, any breach of this Agreement, or any act of Centric or of its employees or agents.

7. **ELECTRIC SERVICE**
Purchaser shall provide electric service as appropriate for the system being installed and as required by the manufacturer.

8. **SERVICE CALLS**
Service calls will be made during normal business hours at the Equipment location specified. On site hours are from 8:30am to 5:00pm Monday through Friday, excluding holidays. Requests for service outside of normal business hours are charged to Customer at published rates and are subject to availability of personnel. Centric shall not be responsible for delays or inabilities to service caused directly or indirectly by strike, accidents, climatic conditions or other reasons beyond its control.

9. **NO WARRANTY**
Other than the obligations set forth herein, Centric disclaims all warranties, expressed or implied, including an implied warranty of merchantability, fitness for use, or fitness for a particular purpose. Centric shall not be responsible for direct, incidental or consequential damages, including but not limited to, damages arising out of the use or performance of the Equipment or the loss of use of the Equipment.

10. **CHARGES**
Charges will be invoiced in accordance with the program selected in this Agreement. At the end of the billing cycle, Centric will agree to adjust the future volume plan if necessary, and Customer agrees to pay the published rates for the agreed upon volume plan. Customer agrees to pay all charges within fifteen (15) days of the date of the Centric invoice for such charges. Customer understands that during the term of this Agreement, Centric may require an increase in charges.

11. **STATE GOVERNANCE**
This Agreement shall be governed by and construed according to the laws of the State of Maryland and constitutes the entire Agreement between the parties.

12. **LABOR SERVICES FOR NETWORKED DEVICES & OPTIONAL CENTRIC CONNECT PROGRAM**
This section is applicable to the Equipment that is connected to a computer or network. For 30 days, this Agreement covers installation and configuration of the hardware and/or software solutions acquired from Centric. Beyond 30 days, additional changes to networks, adding of print drivers and service requirements that result from data that has not reached the Equipment will be billed at prevailing rates, unless Customer selects the optional Centric Connect Program. Centric makes no guarantee that its products and software drivers will be compatible with updated application or operating system software. It is the responsibility of Customer to perform all necessary backups on its personal computers and/or networks prior to any installation or update. If Customer participates in the Centric Connect program, Customer is required to notify Centric prior to updating or changing application software or operating systems. Centric bears no responsibility for any damage done or data lost from said personal computers and/or network

lost from said personal computers and/or network devices. In addition, Centric will not be responsible for replacing or paying for replacements of any data, memory or information, which is lost, altered or damaged while stored in the Equipment.

13. **GENERAL METER COLLECTION**
Customer agrees to provide a meter reading when requested by Centric. If the meter reading is not reported, Centric may estimate the meter reading based on the prior three (3) months of usage to complete the billing cycle. All meter usage costs accrued during instructions, repair or preventive maintenance of the copier system shall be Customer's responsibility.

14. **MISCELLANEOUS**
This Agreement supersedes all prior discussions or understandings between the parties. If any provision of this Agreement is held to be invalid or unenforceable, the remainder of the Agreement shall still be construed as valid and enforceable. No waiver shall be deemed to be made by any party of any of its rights here under unless, the same shall be in writing signed by the waiving party and any waiver shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights or obligations of any party in any respect at any other time. This Agreement may be executed in separate counterparts by the parties hereto, each of which when so executed and delivered shall be an original document, but all of which counterparts together shall constitute the same instrument. This Agreement shall not be effective unless and until executed by both of the parties hereto.

ADDITIONAL TERMS AND CONDITIONS FOR *FLEX*PRINT PROGRAM COVERAGE

15. **IMPLEMENTATION**
Upon approval of this Agreement by all parties, Centric will schedule a time to complete an inspection of the existing Equipment to be serviced under this Agreement within two (2) days of receipt of the order. Following inspection and upon approval, a Centric identification tag will be attached to the Equipment, a start meter reading will be obtained and Centric will install Remote Fleet Monitoring Software ("RFMS"). If the Equipment is not functional at the time of inspection, the Equipment will be brought to manufacturer's specification by Centric solely at the cost of Customer.

16. **ADDITION OF EQUIPMENT**
Customer is required to immediately notify a Centric representative, in writing, upon installation of any additional equipment at Customer's site capable of using Centric supplied toner cartridges. Upon execution of an addendum to this Agreement, such equipment shall be added to the Equipment Schedule attached hereto and be covered, pending inspection pursuant to this Agreement and shall be considered the Equipment for all purposes under this Agreement.

17. **RELOCATING & DELETING MACHINES**
Customer is required to immediately notify Centric upon relocation or removal of any Equipment at Customer's site.

18. **COST OF REPAIR**
Centric reserves the right to evaluate the condition of the Equipment to determine whether the cost of repair is warranted or if the Equipment should be replaced or removed from the contract.

19. **REMOTE MONITORING METER COLLECTION**
RFMS will collect meters on most networked Equipment and some local Equipment. Customer agrees to provide manual meter readings upon request by Centric for any Equipment that does not report to the RFMS. Centric is willing to collect meters on the Equipment that does not report to our RFMS, by request only, on a quarterly basis, at an additional cost of $75 per visit for a single site with up to 100 devices. Additional fees will be assessed for environments with more than 100 devices or multiple locations.

20. **REMOTE FLEET MONITORING SOFTWARE**
Installation of RFMS will take place at the initiation of this contract to report meters and monitor supply alerts. If at any time, Customer requires reinstallation of RFMS as a result of Customer changes to their network or software, Centric will impose additional fees for re-installation. The technical specifications and requirements are as follows:

The Onsite application is comprised of a windows service and web style front end. The initial installation has a small footprint of fewer than 20 MB. Ongoing data collection will require additional disk space over time. Hard disk space requirements are dictated by the number of devices it's configured to collect data from and the frequency of the data collection. Onsite application will run on a dedicated or shared workstation or server as well as a Virtual Machine (VM) with the specifications below. The system does not have to be a server; a properly powered desktop will work as well as long as they meet the requirements below:

- Operating Systems: Microsoft Windows XP, 2003, Vista Business & Enterprise Editions
- Additional Requirements: SNMP & TCP/IP supported, MDAC 2.6 or higher, .NET 2.0 framework with service pack 2, Jet 4.0, Internet explorer 7.0 or higher (or compatible)
- Communication Port Requirements: SNMP port 161, HTTP port 80, SSL port 443
- Processor: 2.4 GHz or higher
- Memory: 1 GB or higher
- Hard Drive: 10 GB or higher
- File System: NTFS

If the specifications and requirements are not met then the RFMS will not be installed. In that case Customer will be solely responsible for obtaining the meter readings for all of the printing devices.

AUTHORIZED SIGNATURE OF CUSTOMER (Sign and Print)	**SALES REPRESENTATIVE (Sign and Print)**
TITLE **DATE**	**CENTRIC OFFICER SIGNATURE**

ORDER SUBJECT TO APPROVAL BY AN OFFICER OF CENTRIC BUSINESS SYSTEMS

Public Works - Water and Wastewater Division
5/25/2021
County Commissioners Meeting

Item Summary:

Approval to Fill Utilities Technician Vacancy

ATTACHMENTS:

Description

Public Works - Building Maintenance
5/25/2021
County Commissioners Meeting

Item Summary:
Approval to Fill Building Maintenance Worker Vacancy

ATTACHMENTS:

Description

Local Management Board
5/25/2021
County Commissioners Meeting

Item Summary:
Approval to Fill Systems of Care Coordinator Position

ATTACHMENTS:
Description

Procedures for Public Comment
5/25/2021
County Commissioners Meeting

ATTACHMENTS:

Description

Procedures for Public Comment

BOARD OF COUNTY COMMISSIONERS OF KENT COUNTY
PROCEDURES FOR PUBLIC COMMENT

In addition to public appearance, the meeting is also being held virtually, via teleconference and viewable on the County website at www.kentcounty.com/government.

It is our desire that everyone who wishes to comment be given a fair and uninterrupted opportunity to express their views to the County Commissioners during this public comment period.

- Comments will be limited to three (3) minutes in length.
- Comments longer than three (3) minutes will be required to be submitted in writing.
- The Board President will open the meeting to Public Comments, citizens are asked to state their name, address, and the topic of interest. Citizens are to ask that all views be expressed in a respectful and civil manner. The Board respects your desire and right to convey your message freely. We ask as a courtesy to the Board and our citizens that you respect the Commissioners' request to refrain from naming citizens and name calling when offering any critique.

The County staff will acknowledge each caller, in the order they called in, announce the last 4 digits of the phone number that was used to call in, and will ask the caller to unmute their phone allowing them to comment.

Jamie Williams, Director, Economic and Tourism Development
5/25/2021
County Commissioners Meeting

Item Summary:
Support Letter

ATTACHMENTS:

Description

05.14.21 Jamie Williams, Director, Economic and Tourism Development, Amy E. Seitz, Director Community Access and Partnership, MD Dept. of Housing and Community Development, Main Street Rock Hall Manager Funding

Kent County MARYLAND

Department of Economic & Tourism Development

May 14, 2021

Amy E. Seitz, Director
Community Access and Partnership
Division of Neighborhood Revitalization
Maryland Dept. of Housing and Community Development
2 North Charles Street, Suite 450
Baltimore, MD 21201

Re: Main Street Rock Hall, Manager

Dear Ms. Seitz:

The Kent County Department of Economic & Tourism Development supports the efforts of Main Street Rock Hall and their grant application for funding the Main Street Manager position.

The Main Street Rock Hall's technical assistance grant application will greatly enhance the work the organization has been doing for the past three years. Main Street Rock Hall's work is clearly making a difference in revitalizing the heart and soul of the Town. Rock Hall is the second largest town in Kent County and a popular destination by land and water. Many people in the region travel to Rock Hall to enjoy the array of waterfront dining options the town offers. A fresh food market is a recent addition to Rock Hall's draw bringing folks into town from the many marinas in the region and our very own, thriving, bay front campground.

We are pleased to support this effort and continue our partnership with the Main Street Rock Hall organization to revitalize the community by growing the businesses and commerce along the Main Street of this special town on the Eastern Shore of Maryland.

Sincerely,

Jamie I Wms

Jamie Williams, CEcD, Director

cc: The County Commissioners of Kent County

Rock Hall Church of God
5/25/2021
County Commissioners Meeting

Item Summary:
Hope House Grand Opening

ATTACHMENTS:

Description

05.25.21 Rock Hall Church of God, Hope House Grand Opening (05.27.21) Flyer

HOPE HOUSE

Sharing the Hope By Sharing Food and Clothing

GRAND OPENING

6528 Rock Hall Road * Rock Hall, MD

Thursday, May 27th

Starting at 3:00pm

Come Join Us for the Grand Opening of Hope House in Rock Hall, Maryland Come Celebrate the opening and Tour the Facility!

Open Thursdays from 4 - 7pm Starting in June!

6528 Rock Hall Road * Rock Hall, MD 21661

Rock Hall Church of God

A Place To Call Home!

www.rockhallcog.org * www.facebook.com/RHCOG

Sharing the Hope, Spreading the Love

Contingency and Use of Fund Balance Report
5/25/2021
County Commissioners Meeting

ATTACHMENTS:

Description

5-11-2021 Commissioner Report Contingency

FY21 CONTINGENCY & USE OF FUND BALANCE
AS OF COMMISSIONERS MEETING MINUTES DATED
May 11, 2021

CONTINGENCY

DATE APPROVED	DEPARTMENT	AMOUNT APPROVED	DESCRIPTION
9/29/20	Capital Projects	$ 17,750	Quaker Neck Public Landing Pier and Mooring
10/6/20	Planning and Zoning	15,000	Task Force Support - Comprehensive Rezoning Update
10/20/20	Commissioners Office	30,000	Workstations and items to complete security configuration
10/27/20	Environmental Operations	16,600	Accrued penalties for effluent violations at Nicholson Landfill
11/17/20	Detention Center	4,000	Control Panel System
12/8/20	Capital Projects	65,900	Tuner's Creek Bulkhead & Boat Ramp Replacement
1/26/21	Water/Wastewater Services	85,000	Repairs & Maintenance Services Worton Lagoon
3/2/21	Information Technology	29,294	Replace Uninterrupted Power Supply (UPS)
4/13/21	Information Technology	8,100	Network security testing software
4/13/21	Capital Projects	21,183	Turners Creek Bulkhead-Change Order No. 2
4/13/21	State's Attorney Office	13,000	Part-time aid
4/20/21	Capital Projects	3,910	Turners Creek Bulkhead-Additional Engineering Services-unforeseen site conditions
5/4/21	WWS	13,125	Worton Portalogic System
5/4/21	WWS	7,000	Worton Tower Security Fencing
5/4/21	WWS	2,000	Plan Cabinets
5/4/21	Environmental Operations	15,031	Compact Utility Tractor
5/11/21	Buildings/Grounds-Court House	60,200	HVAC split system-Court House
TOTAL		**$ 407,093**	
BEGINNING CONTINGENCY BUDGET		**$ 800,000**	
ENDING CONTINGENCY BALANCE		**$ 392,907**	

USE OF FUND BALANCE

DATE APPROVED	DEPARTMENT	AMOUNT APPROVED	DESCRIPTION
09/08/2020	Alcoholic Beverage Inspector	$ 11,732	Full-time equivalent hours increased from .50 to .70
09/29/2020	The Health Department	$ 59,611	COLA Increase from prior years
12/08/2020	Commissioner's Office	$ 1,380	Maintenance on Hearing Room audio/visual equip
TOTAL		**$ 72,723**	

USE OF FUND BALANCE

Note: If expenses are not reduced or offset by the same amount of fund balance used, this will result in a decrease in fund balance below our 7.5% target.