

# HOUSE BILL 179

A2, A1

2lr0665

---

By: **St. Mary's County Delegation**

Introduced and read first time: January 25, 2012

Assigned to: Economic Matters

---

## A BILL ENTITLED

1 AN ACT concerning

2 **St. Mary's County – Alcoholic Beverages – Distillery Licenses**

3 FOR the purpose of authorizing a holder of a Class 1 manufacturer's license to  
4 produce samples of liquor at a distillery in St. Mary's County and to provide the  
5 samples to certain individuals who participate in a guided tour of the distillery;  
6 establishing certain restrictions on the amount of liquor that may be provided  
7 as samples; establishing a Class 7 distillery wholesaler's license; requiring that  
8 a holder of the Class 7 distillery wholesaler's license operate a distillery in St.  
9 Mary's County, produce at the distillery a certain amount of its own liquor  
10 annually, and be the holder of a Class 1 manufacturer's license; authorizing a  
11 holder of the Class 7 distillery wholesaler's license to sell and deliver the brand  
12 of liquor produced at the premises to a retail licensee or permit holder in the  
13 State authorized to acquire the liquor; prohibiting a holder from selling the  
14 liquor to a licensed wholesaler; establishing a certain fee; and generally relating  
15 to distillery licenses in St. Mary's County.

16 BY repealing and reenacting, with amendments,  
17 Article 2B – Alcoholic Beverages  
18 Section 2–202 and 2–301(a) and (b)  
19 Annotated Code of Maryland  
20 (2011 Replacement Volume)

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

23 **Article 2B – Alcoholic Beverages**

24 2–202.

25 A Class 1 manufacturer's license:

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) Is a distillery license;

2 (2) Authorizes the:

3 (i) Establishment and operation in this State of a plant for  
4 distilling brandy, rum, whiskey, alcohol and neutral spirits;

5 (ii) Sale and delivery of those alcoholic beverages in bulk to  
6 persons authorized in this State to acquire them; and

7 (iii) Sale and delivery of those alcoholic beverages to persons  
8 located outside this State;

9 (3) Shall be obtained for each trade name and for each distillery in  
10 this State;

11 (4) Permits a distiller to manufacture alcoholic beverages in the name  
12 of another person or under a trade name, provided a distillery license has been issued  
13 to that other person or under that trade name, as the case may be; [and]

14 (5) Permits the holder of such a license to acquire bulk alcoholic  
15 beverages from the holder of a distillery, rectifying, or winery license in this State or  
16 from the holder of a nonresident dealer’s permit; AND

17 (6) (I) PERMITS THE HOLDER OF THE LICENSE TO:

18 1. PRODUCE SAMPLES OF LIQUOR AT A DISTILLERY  
19 IN ST. MARY’S COUNTY; AND

20 2. PROVIDE THE SAMPLES TO INDIVIDUALS AT  
21 LEAST 21 YEARS OLD WHO PARTICIPATE IN A GUIDED TOUR OF THE DISTILLERY.

22 (II) A SAMPLE PROVIDED TO AN INDIVIDUAL UNDER  
23 SUBPARAGRAPH (I)2 OF THIS PARAGRAPH MAY BE NOT MORE THAN ONE-HALF  
24 OUNCE OF LIQUOR FROM A GIVEN BRAND.

25 2-301.

26 (a) (1) The annual fees for the following classes of wholesaler’s licenses  
27 are:

28	Class 1	Beer, wine and liquor.....	\$ 2,000
29	Class 2	Wine and liquor.....	1,750
30	Class 3	Beer and wine.....	1,500
31	Class 4	Beer.....	1,250
32	Class 5	Wine.....	1,250

1           Class 6    Limited wine ..... 50  
2           **CLASS 7   DISTILLERY..... 50**

3           (2)    Upon approval of the application:

4                   (i)    A Class 1 wholesale licensee may use additional locations for  
5 the warehousing, sale and delivery of beer, wine and liquor upon the payment of an  
6 additional fee of \$2,000 for each additional location.

7                   (ii)   A Class 2 wholesale licensee may use additional locations for  
8 the warehousing, sale and delivery of wine and liquor upon the payment of an  
9 additional fee of \$1,750 for each additional location.

10                  (iii)   A Class 3 wholesale licensee may use additional locations for  
11 the warehousing, sale and delivery of beer and wine upon the payment of an  
12 additional fee of \$1,500 for each additional location.

13                  (iv)   A Class 4 wholesale licensee may use additional locations for  
14 the warehousing, sale and delivery of beer upon the payment of an additional fee of  
15 \$1,250 for each additional location.

16                  (v)    A Class 5 wholesale licensee may use additional locations for  
17 the warehousing, sale and delivery of wine upon the payment of an additional fee of  
18 \$1,250 for each additional location.

19                  (vi)   A Class 6 limited wine wholesale licensee may use  
20 additional locations for the warehousing, sale and delivery of wine upon the payment  
21 of an additional fee of \$50 for each additional location.

22           (b)   (1)   Except as otherwise provided in this subsection, a wholesaler’s  
23 license issued in accordance with the fee paid entitles the holder to acquire the  
24 alcoholic beverages indicated on the license from licensees and holders of nonresident  
25 dealer’s permits and resident dealer’s permits authorized by this State to make the  
26 sales and deliveries. The license authorizes the sale and delivery of those alcoholic  
27 beverages from the licensed premises to licensees and permit holders in Maryland and  
28 to persons outside of this State.

29           (2)    A Class 6 limited wine wholesaler’s license shall be issued only to a  
30 wine manufacturer that:

31                   (i)    Produces not more than 27,500 gallons of its own wine  
32 annually; and

33                   (ii)   Holds a Class 4 limited winery manufacturer’s license issued  
34 under this article.

1 (3) A person who holds a Class 6 limited wine wholesaler's license, on  
2 approval of the application and payment of the fee:

3 (i) May sell and deliver its own brand of wine produced at the  
4 licensee's premises to a retail licensee or permit holder in the State authorized to  
5 acquire the wine; and

6 (ii) May not sell its wine to a licensed wholesaler.

7 (4) In Allegany County the holder of a Class 1 or Class 2 wholesaler's  
8 license may not sell liquor in any size container smaller than 23 ounces or 680  
9 milliliters to any holder of a special permit issued under § 7-101(h) of this article.

10 (5) A wholesaler's license of the appropriate class authorizes the  
11 holder to directly import beer, wine, or distilled spirits from sources outside the  
12 continental limits and possessions of the United States. However, any wholesale  
13 licensee that imports for subsequent distribution in or outside the State of Maryland  
14 shall be:

15 (i) The brand owner;

16 (ii) A wholesale licensee that purchases directly from the brand  
17 owner or the authorized agent of the brand owner; or

18 (iii) A wholesale licensee that purchases from the authorized  
19 United States importer.

20 (6) Paragraph (5) of this subsection only applies if the wholesale  
21 licensee's jurisdiction and authority to sell has been submitted to the Comptroller by  
22 the brand owner.

23 **(7) A CLASS 7 DISTILLERY WHOLESALER'S LICENSE SHALL BE**  
24 **ISSUED ONLY TO A DISTILLER THAT:**

25 **(I) OPERATES A DISTILLERY IN ST. MARY'S COUNTY;**

26 **(II) PRODUCES AT THE DISTILLERY NOT MORE THAN 27,500**  
27 **GALLONS OF ITS OWN LIQUOR ANNUALLY; AND**

28 **(III) HOLDS A CLASS 1 MANUFACTURER'S LICENSE ISSUED**  
29 **UNDER THIS ARTICLE.**

30 **(8) THE HOLDER OF A CLASS 7 DISTILLERY WHOLESALER'S**  
31 **LICENSE, ON APPROVAL OF THE APPLICATION AND PAYMENT OF THE FEE:**

1                   **(I) MAY SELL AND DELIVER THE BRAND OF LIQUOR**  
2 **PRODUCED ON THE PREMISES TO A RETAIL LICENSEE OR PERMIT HOLDER IN**  
3 **THE STATE AUTHORIZED TO ACQUIRE THE LIQUOR; AND**

4                   **(II) MAY NOT SELL THE LIQUOR TO A LICENSED**  
5 **WHOLESALE.**

6           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 July 1, 2012.