

# HOUSE BILL 330

A1

(5lr1645)

## ENROLLED BILL

— *Economic Matters/Education, Health, and Environmental Affairs* —

Introduced by **Allegany County Delegation**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Alcoholic Beverages – Micro-Breweries ~~and Farm Breweries~~ – Additional**  
3 **License**

4 FOR the purpose of authorizing the holder of a micro-brewery ~~or farm-brewery~~ license to  
5 apply for and obtain ~~one or more certain additional licenses for the same or an~~  
6 additional micro-brewery license for another premises; specifying certain limitations  
7 on the distribution and sale of beer brewed by a holder of an additional  
8 micro-brewery license; providing that certain provisions of law that prohibit a holder  
9 of a micro-brewery license from owning, operating, or being affiliated with certain  
10 other manufacturers of beer, or being granted a wholesaler alcoholic beverages  
11 license, do not apply in Allegany County or Frederick County; and generally relating  
12 to alcoholic beverages manufacturers in the State.

13 BY repealing and reenacting, with amendments,  
14 Article 2B – Alcoholic Beverages

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#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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

*Italics indicate opposite chamber/conference committee amendments.*



1 Section 2-201(b) and ~~2-208(e)~~ 2-208(c)(1), (d)(1), and (e)  
2 Annotated Code of Maryland  
3 (2011 Replacement Volume and 2014 Supplement)

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

6 **Article 2B – Alcoholic Beverages**

7 2-201.

8 (b) (1) This subsection does not apply to a Class 6 pub-brewery license.

9 (2) **(I)** The holder of a distillery, rectifying, winery, limited winery, ~~for~~  
10 brewery, ~~MICRO-BREWERY, OR FARM-BREWERY~~ license may apply for and obtain, under  
11 a different name, one or more additional distillery, rectifying, winery, limited winery, ~~for~~  
12 brewery, ~~MICRO-BREWERY, OR FARM-BREWERY~~ licenses for the same or another  
13 premises.

14 **(II) THE HOLDER OF A MICRO-BREWERY LICENSE MAY APPLY**  
15 **FOR AND OBTAIN NOT MORE THAN ONE ADDITIONAL MICRO-BREWERY LICENSE FOR**  
16 **ANOTHER PREMISES.**

17 (3) Those licenses may be issued to different persons or under trade names  
18 used by persons occupying a part of or all of the same premises.

19 (4) A holder of a license listed in paragraph (2) of this subsection may hold  
20 additional licenses listed in paragraph (2) of this subsection of the same or of a different  
21 class.

22 (5) (i) The holder of a rectifying or winery license may apply for and  
23 obtain a wholesaler's license of any class for the same premises or elsewhere as provided  
24 under this article.

25 (ii) The holder of a limited winery license may apply for and obtain  
26 a Class 6 limited wine wholesaler's license for the same premises or elsewhere as provided  
27 under this article.

28 (iii) 1. The holder of a Class 5 manufacturer's license or Class 7  
29 micro-brewery license may apply for and obtain a Class 7 limited beer wholesaler's license  
30 in accordance with this subparagraph.

31 2. A holder of a Class 5 manufacturer's license that was  
32 selling the holder's own beer at wholesale in the State as of January 1, 2013, may obtain a  
33 Class 7 limited beer wholesaler's license to continue to sell the holder's own beer at  
34 wholesale in the same location in an amount that is not more than 3,000 barrels annually.

1 3. A holder of a Class 5 manufacturer's license [or Class 7  
2 micro-brewery license] that produces in aggregate from all its locations not more than  
3 22,500 barrels of beer annually may obtain a Class 7 limited beer wholesaler's license and  
4 distribute not more than 3,000 barrels of its own beer annually.

5 **4. A HOLDER OF ONE OR TWO CLASS 7 MICRO-BREWERY**  
6 **LICENSES THAT PRODUCES IN AGGREGATE FROM ALL OF ITS LOCATIONS NOT MORE**  
7 **THAN 22,500 BARRELS OF BEER ANNUALLY MAY OBTAIN A CLASS 7 LIMITED BEER**  
8 **WHOLESALER'S LICENSE AND DISTRIBUTE BEER THAT:**

9 **A. TOTALS ANNUALLY NOT MORE THAN 3,000 BARRELS**  
10 **IN AGGREGATE FROM ALL OF ITS LOCATIONS; AND**

11 **B. HAS BEEN BREWED AT THE LOCATION FROM WHERE**  
12 **IT IS DISTRIBUTED.**

13 2-208.

14 (c) (1) (I) A holder of a Class 7 micro-brewery license:

15 [(i)] 1. May brew and bottle malt beverages at the license  
16 location;

17 [(ii)] 2. May obtain a Class 2 rectifying license for a premises  
18 located within 1 mile of the existing Class 7 micro-brewery location to bottle malt beverages  
19 brewed at the micro-brewery location only;

20 [(iii)] 3. May contract with the holder of a Class 2 rectifying license  
21 held under § 2-203 of this subtitle, a Class 5 brewery license, a Class 7 micro-brewery  
22 license, or a Class 8 farm brewery license, or the holder of a nonresident dealer's permit to  
23 brew and bottle malt beverages on their behalf;

24 [(iv)] 4. May store the finished product under an individual  
25 storage permit or at a licensed public storage facility for subsequent sale and delivery to a  
26 licensed wholesaler, an authorized person outside this State, and for shipment back to the  
27 micro-brewery location for sale on the retail premises;

28 [(v)] 5. [May] SUBJECT TO SUBPARAGRAPH (II) OF THIS  
29 PARAGRAPH, MAY not collectively brew, bottle, or contract for more than 22,500 barrels of  
30 malt beverages each calendar year; and

31 [(vi)] 6. May enter into a temporary delivery agreement with a  
32 distributor only for delivery of beer to a beer festival or wine and beer festival and the  
33 return of any unused beer if:

1                    **[1.] A.**        The beer festival or wine and beer festival is in a  
 2 sales territory for which the holder does not have a franchise with a distributor under the  
 3 Beer Franchise Fair Dealing Act; and

4                    **[2.] B.**        The temporary delivery agreement is in writing.

5                    **(II) A LICENSE HOLDER THAT HAS LICENSES FOR TWO**  
 6 **LOCATIONS MAY NOT COLLECTIVELY BREW, BOTTLE, OR CONTRACT FOR MORE**  
 7 **THAN 22,500 BARRELS OF MALT BEVERAGES IN AGGREGATE FROM BOTH OF ITS**  
 8 **LOCATIONS EACH CALENDAR YEAR.**

9            (d)    (1)    The on-sale privilege authorizes the holder, each calendar year, to sell  
 10 at retail [up] FOR ON-PREMISES CONSUMPTION:

11                    **(I) UP to 4,000 barrels of beer brewed under this license [to**  
 12 **customers for consumption on the licensed premises]; OR**

13                    **(II) IF THE HOLDER HAS LICENSES FOR TWO LOCATIONS, BEER**  
 14 **THAT:**

15                    **1. TOTALS ANNUALLY UP TO 4,000 BARRELS IN**  
 16 **AGGREGATE FROM BOTH ITS LOCATIONS; AND**

17                    **2. HAS BEEN BREWED AT THE LOCATION WHERE IT IS**  
 18 **SOLD.**

19            (e)    (1)    **THIS SUBSECTION DOES NOT APPLY IN ALLEGANY COUNTY OR**  
 20 **FREDERICK COUNTY.**

21            (2)    A holder of a Class 7 micro-brewery license:

22                    [(1)] (I)    May not own, operate or be affiliated with any other  
 23 manufacturer of beer except for a Class 2 rectifying license authorized by subsection  
 24 ~~(e)(1)(ii)~~ **(C)(1)(I)2** of this section; and

25                    [(2)] (II)    Notwithstanding § 2-201(b) of this subtitle, may not be granted  
 26 a wholesale alcoholic beverages license.

27            SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
 28 1, 2015.