

# HOUSE BILL 616

A1

6lr2055

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By: **Delegate Barkley**

Introduced and read first time: February 4, 2016

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2016

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

1 AN ACT concerning

2 **Alcoholic Beverages – Class 1 Distillery Licenses**

3 FOR the purpose of altering the activities allowed to be conducted at a plant established  
4 and operated by a holder of a Class 1 distillery license; allowing the license holder to  
5 acquire alcoholic beverages from a holder of any manufacturer's license or  
6 wholesaler's license or a holder of a nonresident dealer's permit for use in  
7 manufacturing; repealing a provision of law requiring that the license holder acquire  
8 certain alcoholic beverages in bulk; authorizing the license holder to serve at no cost  
9 or for a fee certain product samples to certain participants in a guided tour of the  
10 licensed premises; altering the amount and contents of product samples that may be  
11 served; altering the amount of products that the license holder may sell to certain  
12 participants in a guided tour of the licensed premises; repealing a certain restriction  
13 on license holders who sell products to certain participants in a guided tour; ~~altering~~  
14 ~~a certain annual license fee~~; and generally relating to Class 1 distillery licenses.

15 BY repealing and reenacting, with amendments,

16 Article – Alcoholic Beverages

17 Section 2–202

18 Annotated Code of Maryland

19 (As enacted by Chapter \_\_ (S.B. \_\_)(6lr1406) of the Acts of the General Assembly of  
20 2016)

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

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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.



## Article – Alcoholic Beverages

1  
2 2–202.

3 (a) There is a Class 1 distillery license.

4 (b) The license shall be obtained for each trade name and each distillery in the  
5 State.

6 (c) A license holder may:

7 (1) establish and operate a plant for distilling, **RECTIFYING, BLENDING,**  
8 **AND BOTTLING, AT THE LOCATION DESCRIBED IN THE LICENSE:**

9 (I) brandy[.];

10 (II) rum[.];

11 (III) whiskey[.];

12 (IV) alcohol[.]; and

13 (V) neutral spirits [at the location described in the license];

14 (2) sell and deliver the alcoholic beverages:

15 (i) in bulk to a person in the State that is authorized to acquire  
16 them; and

17 (ii) to a person outside the State that is authorized to acquire them;

18 (3) manufacture an alcoholic beverage listed in item (1) of this subsection  
19 in the name of another person or under a trade name if the other person or trade name also  
20 holds a Class 1 distillery license;

21 (4) acquire alcoholic beverages [in bulk] from the holder of a [Class 1  
22 distillery license, Class 2 rectifying license, Class 3 winery license,] **MANUFACTURER'S**  
23 **LICENSE OR WHOLESALER'S LICENSE** or nonresident dealer's permit **FOR USE IN**  
24 **MANUFACTURING**; and

25 (5) (i) conduct guided tours of the licensed premises;

26 (ii) **AT NO COST OR FOR A FEE, serve TO AN INDIVIDUAL WHO HAS**  
27 **ATTAINED THE LEGAL DRINKING AGE AND PARTICIPATED IN A GUIDED TOUR OF THE**  
28 **LICENSES PREMISES, not more than [three samples of products manufactured at the**  
29 **licensed premises] 2 OUNCES OF PRODUCTS, with each PRODUCT sample consisting of**

1 not more than one-half ounce from a single product **MANUFACTURED BY THE LICENSE**  
2 **HOLDER**, to an individual who has attained the legal drinking age and participated in a  
3 guided tour of the licensed premises]; [and]

4 **(III) SERVE SAMPLES BLENDED WITH OTHER PRODUCTS**  
5 **MANUFACTURED BY THE LICENSE HOLDER OR NONALCOHOLIC INGREDIENTS; AND**

6 [(iii)] **(IV)** [subject to subsection (d) of this section,] sell not more  
7 than [three 750-milliliter bottles] **2.25 LITERS** of products manufactured on the licensed  
8 premises, for off-premises consumption, and related merchandise to an individual who has  
9 attained the legal drinking age and participated in a guided tour of the licensed premises.

10 (d) [A license holder may sell bottles of products under subsection (c)(5)(iii) of this  
11 section only if the license holder manufactures not more than 27,500 gallons of products  
12 annually.

13 (e) A license holder or entity in which a license holder has a pecuniary interest  
14 may not act as a caterer of food.

15 [(f)] **(E)** Subject to subsection [(g)] **(F)** of this section, a license holder may  
16 conduct the activities specified in subsection (c)(5) of this section[:

17 (1) for off-premises consumption of products manufactured at the licensed  
18 premises and for sampling, from 10 a.m. to 10 p.m. each day; and

19 (2) for on-premises consumption of products manufactured at the licensed  
20 premises:

21 (i) from 10 a.m. to 6 p.m. each day; or

22 (ii) if guests are attending a planned promotional event or other  
23 organized activity on the licensed premises,] from 10 a.m. to 10 p.m. each day.

24 [(g)] **(F)** A Class 1 distillery license allows the license holder to operate 7 days a  
25 week.

26 [(h)] **(G)** At least 14 days before holding a planned promotional event after 6  
27 p.m., a license holder shall file a notice of the promotional event with the Comptroller on  
28 the form that the Comptroller provides.

29 [(i)] **(H)** (1) Except as provided in paragraph (2) of this subsection, a license  
30 holder may not sell or allow to be consumed at the licensed premises any product other  
31 than products produced by the license holder under the authority of this section.

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1                   (2)    A holder of a caterer’s license or privilege under Subtitle 5 of this title  
2 or Subtitle 12 of various titles of Division II of this article may exercise the privileges of the  
3 license or privilege on the licensed premises of the license holder.

4                   (j)    Nothing in this section limits the application of relevant provisions of Title 21  
5 of the Health – General Article, and regulations adopted under that title, to a license holder.

6                   (k)    The annual license fee is ~~[\$2,000]~~ **\$1,000**.

7                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
8 1, 2016.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.