

HOUSE BILL 230

A1

3lr1631

By: **Delegates Schulz, Afzali, Barkley, Clagett, Feldman, Hershey, Hogan, Hough, Jacobs, McDermott, W. Miller, Olszewski, Otto, Ready, and Smigiel**

Introduced and read first time: January 22, 2013

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 15, 2013

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages – Farm Breweries and Micro-Breweries**

3 FOR the purpose of adding the holder of a Class 7 micro-brewery license to the list of
4 licensees with whom a holder of a Class 8 farm brewery license may contract to
5 brew and bottle beer from ingredients produced on the licensed farm;
6 authorizing the Comptroller to issue in Howard County one Class 8 farm
7 brewery license to a person that holds not more than a certain number of Class
8 B beer, wine and liquor licenses; making certain stylistic changes; and generally
9 relating to holders and issuance of Class 8 farm brewery licenses.

10 BY repealing and reenacting, without amendments,
11 Article 2B – Alcoholic Beverages
12 Section 2–209(a)(1)
13 Annotated Code of Maryland
14 (2011 Replacement Volume and 2012 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article 2B – Alcoholic Beverages
17 Section 2–208(c)(1) and 2–209(c)
18 Annotated Code of Maryland
19 (2011 Replacement Volume and 2012 Supplement)

20 BY adding to

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.



1 Article 2B – Alcoholic Beverages
2 Section 12–104(e)(7)
3 Annotated Code of Maryland
4 (2011 Replacement Volume and 2012 Supplement)

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

7 **Article 2B – Alcoholic Beverages**

8 2–208.

9 (c) (1) A holder of a Class 7 micro–brewery license:

10 (i) May brew and bottle malt beverages at the license location;

11 (ii) May obtain a Class 2 rectifying license for a premises
12 located within 1 mile of the existing Class 7 micro–brewery location to bottle malt
13 beverages brewed at the micro–brewery location only;

14 (iii) May contract with the holder of a **CLASS 2 RECTIFYING**
15 **LICENSE HELD UNDER § 2–203 OF THIS SUBTITLE**, A Class 5 brewery license, a
16 Class 7 micro–brewery license, or [a Class 2 rectifying license held under § 2–203 of
17 this subtitle] **A CLASS 8 FARM BREWERY LICENSE**, or the holder of a nonresident
18 dealer’s permit to brew and bottle malt beverages on their behalf;

19 (iv) May store the finished product under an individual storage
20 permit or at a licensed public storage facility for subsequent sale and delivery to a
21 licensed wholesaler, an authorized person outside this State, and for shipment back to
22 the micro–brewery location for sale on the retail premises;

23 (v) May not collectively brew, bottle, or contract for more than
24 22,500 barrels of malt beverages each calendar year; and

25 (vi) May enter into a temporary delivery agreement with a
26 distributor only for delivery of beer to a beer festival or wine and beer festival and the
27 return of any unused beer if:

28 1. The beer festival or wine and beer festival is in a sales
29 territory for which the holder does not have a franchise with a distributor under the
30 Beer Franchise Fair Dealing Act; and

31 2. The temporary delivery agreement is in writing.

32 2–209.

33 (a) (1) There is a Class 8 farm brewery license.

1 (c) A licensee may:

2 (1) Store on its licensed farm, in a segregated area approved by the
3 Comptroller, beer produced at the licensed farm for sale and delivery to a wholesaler
4 licensed in the State or a person outside of the State authorized to acquire the beer;

5 (2) Brew, bottle, or contract for not more than 15,000 barrels of beer
6 each calendar year;

7 (3) Contract with the holder of a **CLASS 2 RECTIFYING LICENSE, A**
8 **Class 5 brewery license, [or a Class 2 rectifying license] OR A CLASS 7**
9 **MICRO-BREWERY LICENSE** to brew and bottle beer from ingredients produced on the
10 licensed farm;

11 (4) Import, export, and transport its beer in accordance with this
12 section; and

13 (5) Store beer at a warehouse for which the licensee has been issued
14 an individual storage permit, for sale and delivery to a wholesaler licensed in the State
15 or a person outside of the State authorized to acquire the beer, or shipment back to the
16 licensed farm, if:

17 (i) The licensee does not serve or sell beer at the warehouse;
18 and

19 (ii) The Comptroller has full access at all times to the
20 warehouse to enforce this article.

21 12-104.

22 (e) **(7) (I) THIS PARAGRAPH APPLIES ONLY IN HOWARD COUNTY.**

23 **(II) THE COMPTROLLER MAY ISSUE ONE CLASS 8 FARM**
24 **BREWERY LICENSE TO A PERSON THAT HOLDS NOT MORE THAN TWO CLASS B**
25 **BEER, WINE AND LIQUOR LICENSES.**

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 July 1, 2013.