

Chapter 88

(House Bill 230)

AN ACT concerning

Alcoholic Beverages – Farm Breweries and Micro-Breweries

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

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

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

BY adding to
Article 2B – Alcoholic Beverages
Section 12-104(e)(7)
Annotated Code of Maryland
(2011 Replacement Volume and 2012 Supplement)

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

Article 2B – Alcoholic Beverages

2-208.

- (c) (1) A holder of a Class 7 micro-brewery license:
 - (i) May brew and bottle malt beverages at the license location;

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

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

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

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

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

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

2. The temporary delivery agreement is in writing.

2–209.

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

(c) A licensee may:

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

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

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

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

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

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

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

12-104.

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

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

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

Approved by the Governor, April 9, 2013.