

HOUSE BILL 287

A2

(4lr1695)

ENROLLED BILL

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

Introduced by **Delegates Otto and McDermott**

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 **Somerset County – Alcoholic Beverages – ~~Micro-Brewery License~~ Licenses**

3 FOR the purpose of adding Somerset County to the list of jurisdictions in which a
4 Class 7 micro-brewery license may be issued; adding Somerset County to the
5 list of jurisdictions in which the holder of a Class 7 micro-brewery license may
6 sell at retail beer brewed under the license to customers for consumption off the
7 licensed premises in certain refillable containers; and generally relating to the
8 issuance of Class 7 micro-brewery licenses in Somerset County.

9 BY repealing and reenacting, without amendments,
10 Article 2B – Alcoholic Beverages
11 Section 2-208(a), (c), (e), and (f)
12 Annotated Code of Maryland
13 (2011 Replacement Volume and 2013 Supplement)

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 BY repealing and reenacting, with amendments,
2 Article 2B – Alcoholic Beverages
3 Section 2–208(b) and (d)
4 Annotated Code of Maryland
5 (2011 Replacement Volume and 2013 Supplement)

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

8 **Article 2B – Alcoholic Beverages**

9 2–208.

10 (a) There is a Class 7 micro–brewery (on– and off–sale) license.

11 (b) The license shall be issued:

12 (1) By the State Comptroller;

13 (2) Only in the following jurisdictions:

14 (i) Allegany County;

15 (ii) Baltimore City;

16 (iii) Baltimore County;

17 (iv) The City of Annapolis;

18 (v) Anne Arundel County;

19 (vi) Calvert County;

20 (vii) Caroline County;

21 (viii) Carroll County;

22 (ix) Charles County;

23 (x) Dorchester County;

24 (xi) Frederick County;

25 (xii) Garrett County;

26 (xiii) Harford County;

1 (xiv) Howard County;

2 (xv) Kent County;

3 (xvi) Montgomery County;

4 (xvii) Prince George’s County;

5 (xviii) Queen Anne’s County;

6 (xix) St. Mary’s County;

7 **(XX) SOMERSET COUNTY;**

8 **[(xx)] (XXI) Talbot County;**

9 **[(xxi)] (XXII) Washington County;**

10 **[(xxii)] (XXIII) Wicomico County; and**

11 **[(xxiii)] (XXIV) Worcester County;**

12 (3) (i) Only to a holder of a Class B beer, wine and liquor (on–sale)
13 license that is issued for use on the premises of a restaurant located in a jurisdiction
14 listed in paragraph (2) of this subsection;

15 (ii) To a holder of a Class D beer (off–sale) license that is issued
16 for use on the premises of the existing Class D license if the premises are located in
17 Kent County or the Town of Berlin in Worcester County; or

18 (iii) To a holder of a Class D alcoholic beverages license that is
19 issued for use on the premises of the existing Class D license if the premises are
20 located in:

21 1. The 22nd Alcoholic Beverages District of Prince
22 George’s County;

23 2. Washington County; or

24 3. Dorchester County; and

25 (4) In addition to item (3) of this subsection, in Montgomery County
26 only to a holder of a Class H beer and light wine license that is issued for use on the
27 premises of a restaurant located in the County.

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

- 1 (i) May brew and bottle malt beverages at the license location;
- 2 (ii) May obtain a Class 2 rectifying license for a premises
3 located within 1 mile of the existing Class 7 micro-brewery location to bottle malt
4 beverages brewed at the micro-brewery location only;
- 5 (iii) May contract with the holder of a Class 2 rectifying license
6 held under § 2-203 of this subtitle, a Class 5 brewery license, a Class 7 micro-brewery
7 license, or a Class 8 farm brewery license, or the holder of a nonresident dealer's
8 permit to brew and bottle malt beverages on their behalf;
- 9 (iv) May store the finished product under an individual storage
10 permit or at a licensed public storage facility for subsequent sale and delivery to a
11 licensed wholesaler, an authorized person outside this State, and for shipment back to
12 the micro-brewery location for sale on the retail premises;
- 13 (v) May not collectively brew, bottle, or contract for more than
14 22,500 barrels of malt beverages each calendar year; and
- 15 (vi) May enter into a temporary delivery agreement with a
16 distributor only for delivery of beer to a beer festival or wine and beer festival and the
17 return of any unused beer if:
- 18 1. The beer festival or wine and beer festival is in a sales
19 territory for which the holder does not have a franchise with a distributor under the
20 Beer Franchise Fair Dealing Act; and
- 21 2. The temporary delivery agreement is in writing.
- 22 (2) A Class 7 licensee who wishes to produce more than the barrelage
23 authorized under paragraph (1)(v) of this subsection shall divest of any Class B, D, or
24 any other retail license and obtain a Class 5 manufacturer's license.
- 25 (3) For the purposes of determining the barrelage limitation under
26 paragraph (1)(v) of this subsection, any salable beer produced under contractual
27 arrangements accrues only to the Class 7 micro-brewery licensee who is the brand
28 owner.
- 29 (4) In Allegany County only, the holder of a Class 7 license:
- 30 (i) May brew in one location and may contract for the bottling
31 of the malt beverage in another location; and
- 32 (ii) Need not meet the hotel/motel requirements for a Class B
33 beer, wine and liquor licensee but shall meet the requirements for those Class B
34 restaurants.

1 17. Prince George's County;

2 18. Queen Anne's County;

3 19. St. Mary's County;

4 **20. SOMERSET COUNTY;**

5 **[20.] 21.** Talbot County;

6 **[21.] 22.** Washington County;

7 **[22.] 23.** Wicomico County; and

8 **[23.] 24.** Worcester County.

9 (ii) The holder may sell at retail beer brewed under this license
10 to customers for consumption off the licensed premises in refillable containers that are
11 sealed by the micro-brewery licensee at the time of each refill.

12 (e) A holder of a Class 7 micro-brewery license:

13 (1) May not own, operate or be affiliated with any other manufacturer
14 of beer except for a Class 2 rectifying license authorized by subsection (c)(1)(ii) of this
15 section; and

16 (2) Notwithstanding § 2-201(b) of this subtitle, may not be granted a
17 wholesale alcoholic beverages license.

18 (f) (1) Except as provided in paragraph (2) of this subsection, the hours
19 and days for consumer sales under a Class 7 micro-brewery license are as established
20 for:

21 (i) A Class B license in the respective jurisdictions listed in
22 subsection (b)(2) of this section, for a holder of a Class B beer, wine and liquor license;

23 (ii) A Class D beer license in Worcester County, for a holder of a
24 Class D beer license in the Town of Berlin in Worcester County;

25 (iii) A Class D license in Kent County; or

26 (iv) A Class D beer license in Dorchester County.

1 (2) For Class D licensees in the 22nd Alcoholic Beverages District in
2 Prince George’s County only, the hours and days for consumer sales under this license
3 are as established for a Class D license in Prince George’s County.

4 (3) For Class D licensees in Washington County, the hours and days
5 for consumer sales under this license are as established for a Class D license in
6 Washington County.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 2014.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.