

SENATE BILL 673

A1

5lr2354
CF HB 526

By: **Senator Young**

Introduced and read first time: February 6, 2015

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2015

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages – Brewing Company Off-Site Permit and Nonprofit Beer**
3 **Festival Permit**

4 FOR the purpose of requiring ~~the Office of the Comptroller~~ certain licensing boards to
5 collect a fee for a nonprofit beer festival permit; authorizing the Comptroller to issue
6 a brewing company off-site permit to certain persons who meet certain
7 requirements; establishing that certain holders of a brewing company off-site permit
8 may use the permit for certain activities during certain events; establishing a
9 nonprofit beer festival permit to be issued by ~~the Comptroller~~ certain licensing
10 boards; authorizing ~~the Comptroller~~ certain licensing boards to issue a nonprofit beer
11 festival permit to certain persons who meet certain requirements, provided that the
12 nonprofit beer festival will occur over a certain period of time; authorizing a nonprofit
13 beer festival permit holder to purchase beer at wholesale to provide and sell beer for
14 certain purposes under certain circumstances; requiring a nonprofit beer festival
15 permit holder to provide space at the nonprofit beer festival for holders of brewing
16 company off-site permits; authorizing a brewing company off-site permit holder to
17 provide and sell beer in the same manner as a nonprofit beer festival permit holder
18 under certain circumstances; authorizing a nonprofit beer festival permit holder to
19 provide or sell at the nonprofit beer festival only certain alcoholic beverages;
20 requiring a nonprofit beer festival permit holder to have certain agents present
21 during a certain event; requiring an applicant for a nonprofit beer festival permit to
22 submit a certain application form provided by the Comptroller within a certain
23 period of time before the proposed event and pay a certain fee to obtain a permit;
24 specifying the contents of an application for a nonprofit beer festival permit;
25 requiring a nonprofit beer festival permit holder to provide ~~the Comptroller~~ certain

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 licensing boards with a list of brewing company off-site permit holders that will
 2 attend a certain nonprofit beer festival within a certain period of time before the
 3 event; defining a certain term; making a technical change; and generally relating to
 4 the brewing company off-site permits and nonprofit beer festival permits.

5 ~~BY repealing and reenacting, without amendments,~~
 6 ~~Article 2B – Alcoholic Beverages~~
 7 ~~Section 2–101(a)~~
 8 ~~Annotated Code of Maryland~~
 9 ~~(2011 Replacement Volume and 2014 Supplement)~~

10 BY repealing and reenacting, with amendments,
 11 Article 2B – Alcoholic Beverages
 12 Section ~~2–101(b)~~ and 2–105
 13 Annotated Code of Maryland
 14 (2011 Replacement Volume and 2014 Supplement)

15 BY adding to
 16 Article 2B – Alcoholic Beverages
 17 Section 2–106
 18 Annotated Code of Maryland
 19 (2011 Replacement Volume and 2014 Supplement)

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

22 Article 2B – Alcoholic Beverages

23 ~~2–101.~~

24 ~~(a) The Office of the Comptroller shall provide application forms for the permits~~
 25 ~~listed in this section and applicants shall make application to the Office of the Comptroller.~~
 26 ~~The procedure in issuing permits, the purchase of alcoholic beverages, and the exercise of~~
 27 ~~the privileges granted under the various permits shall be subject to regulations~~
 28 ~~promulgated by the Office of the Comptroller. The Office of the Comptroller may cancel,~~
 29 ~~restrict, suspend, or revoke any permit.~~

30 ~~(b) (1) (i) The Office of the Comptroller shall collect a fee for the issuance~~
 31 ~~or renewal of the following permits:~~

32 ~~1. \$50 for a solicitor's permit, an individual storage permit, a~~
 33 ~~nonresident winery permit, or a commercial nonbeverage permit;~~

34 ~~2. \$75 for a public storage permit, a public transportation~~
 35 ~~permit, or an import and export permit;~~

1 ~~3. \$200 for a public storage and transportation permit, a~~
2 ~~nonresident dealer's permit, a resident dealer's permit, or a bulk transfer permit;~~

3 ~~4. \$400 for a family beer and wine facility permit;~~

4 ~~5. \$200 for issuance or renewal of a direct wine shipper's~~
5 ~~permit;~~

6 ~~6. \$100 for a common carrier permit;~~

7 ~~7. \$100 for a winery off-site permit;~~

8 ~~8. \$100 for a wine festival permit; [and]~~

9 ~~9. \$100 for a brewing company off-site permit; AND~~

10 ~~10. \$100 FOR A BEER FESTIVAL PERMIT.~~

11 ~~(ii) The Office of the Comptroller shall issue a nonbeverage permit~~
12 ~~without the payment of any fee for an eleemosynary or a fuel-alcohol permittee.~~

13 ~~(2) (i) The permits issued pursuant to this section expire on October 31~~
14 ~~following the date of their issue unless otherwise provided.~~

15 ~~(ii) All nonbeverage permits do not expire until canceled or revoked.~~

16 ~~(3) The fee for a change of domicile permit is \$5, and when issued shall~~
17 ~~cover only a specific transaction.~~

18 ~~(4) The fee for an individual transportation permit is \$10.~~

19 ~~(5) A bulk transfer permit shall cover only a specific transaction and shall~~
20 ~~expire 10 days from the date of its issue. If the time restriction of this permit would be an~~
21 ~~undue burden, the Office of the Comptroller may grant a reasonable extension of time.~~

22 ~~(6) (i) The Office of the Comptroller shall prescribe a means of~~
23 ~~identification for each vehicle authorized under an individual transportation permit or a~~
24 ~~transportation or public storage and transportation permit. The identification shall be kept~~
25 ~~in or on the vehicle at all times when alcoholic beverages are being transported.~~

26 ~~(ii) The fee for the identification is \$10 for each vehicle.~~

27 ~~(7) The fee for a national family beer and wine exhibition permit is \$50.~~

28 ~~(8) The fee for the nonresident storage permit is \$500.~~

1 ~~(9) (i) The fee for an alcohol awareness program instructor's permit is~~
2 ~~\$5.~~

3 ~~(ii) The fee for an alcohol awareness program permit is \$15.~~

4 ~~(10) The fee for a private bulk sale permit is \$25 and shall cover the sale of~~
5 ~~a specific inventory of alcoholic beverages. The permit shall expire 60 days from the date of~~
6 ~~issuance. An individual or entity may be issued not more than two private bulk sale permits~~
7 ~~in any calendar year.~~

8 2-105.

9 (a) IN THIS SECTION, "LIMITED PERMIT HOLDER" MEANS A PERSON WHO
10 HOLDS A BREWING COMPANY OFF-SITE PERMIT AND ALSO HOLDS A
11 MANUFACTURER'S LICENSE FOR:

12 (1) A CLASS 5 BREWERY THAT PRODUCES LESS THAN 3,000 BARRELS
13 A YEAR;

14 (2) A CLASS 7 MICRO-BREWERY THAT PRODUCES LESS THAN 3,000
15 BARRELS A YEAR; OR

16 (3) A CLASS 8 FARM BREWERY.

17 (B) There is a brewing company off-site permit.

18 ~~(b)~~ (C) The Office of the Comptroller may issue the permit to [a]:

19 (1) ~~A CLASS 5 BREWERY THAT MEETS THE REQUIREMENTS OF THIS~~
20 ~~SECTION;~~

21 (2) A Class 7 micro-brewery ~~that produces less than 3,000 barrels per year~~
22 [or a]; OR

23 (3) A Class 8 farm brewery ~~that meets the requirements of this section.~~

24 ~~(e)~~ (D) During an event listed in subsection ~~(e)~~ (F) of this section, ~~the~~ A LIMITED
25 permit holder may:

26 (1) Provide to a consumer a sample that has been produced by the LIMITED
27 permit holder and that may not exceed 1 fluid ounce for each brand;

28 (2) Sell to a consumer up to 288 ounces of beer that has been produced by
29 the LIMITED permit holder for off-premises consumption; and

1 (3) Except for farmers' markets listed in subsection ~~(e)~~ **(F)** of this section,
 2 sell to a consumer up to 288 ounces of beer that is produced by the **LIMITED** permit holder
 3 for on- and off-premises consumption.

4 ~~(d)~~ **(E)** While selling beer or providing samples at a farmers' market as
 5 provided in subsection ~~(e)~~ **(F)** of this section, a **LIMITED** permit holder shall have an agent
 6 present who is certified by an approved alcohol awareness program.

7 ~~(e)~~ **(F)** ~~The~~ **EXCEPT AS OTHERWISE AUTHORIZED UNDER SUBSECTION (G) OF**
 8 **THIS SECTION, A LIMITED PERMIT HOLDER MAY USE THE** brewing company off-site
 9 permit ~~may be used~~ only:

10 (1) During the Montgomery County Agricultural Fair;

11 (2) During the Maryland State Agricultural Fair;

12 (3) During the Frederick County Agricultural Fair;

13 (4) One night each week from June through November at the North Beach
 14 Friday Night Farmers' Market;

15 (5) For up to seven events, at an event that has as its major purpose an
 16 activity:

17 (i) That is other than the sale and promotion of alcoholic beverages;
 18 and

19 (ii) For which the participation of a brewing company is a
 20 subordinate activity; **AND**

21 (6) At other farmers' markets that are listed on the Farmers' Market
 22 Directory of the Maryland Department of Agriculture; ~~and.~~

23 ~~(7)~~ ~~At~~ **(G)** **A PERSON THAT HOLDS A BREWING COMPANY**
 24 **OFF-SITE PERMIT MAY USE THE PERMIT AT** a **NONPROFIT** beer festival that:

25 (i) Has as its primary purpose the promotion of Maryland beer; and

26 (ii) Is authorized by ~~the Office of the Comptroller~~ **A LOCAL**
 27 **LICENSING BOARD** under [§ 22-103] **§ 2-106** of this subtitle.

28 ~~(8)~~ **(H)** The term of a brewing company off-site permit is 1 year.

29 ~~(9)~~ **(I)** An applicant shall:

1 (1) Submit to the Office of the Comptroller a completed application on a
2 form that the Office of the Comptroller provides; and

3 (2) Pay a fee of \$100 for the brewing company off-site permit.

4 ~~(H)~~ **(J)** (1) No later than the 20th day of the month preceding the off-site event,
5 the permit holder shall notify the Office of the Comptroller of the permit holder's intention
6 to attend an off-site event.

7 (2) The notice shall be on a form that the Office of the Comptroller provides.

8 ~~(I)~~ **(K)** The Comptroller may adopt regulations to require the permit holder to notify
9 the board of license commissioners in the county where the event is being held of the permit
10 holder's intention to attend an off-site event.

11 **2-106.**

12 **(A) THERE IS A NONPROFIT BEER FESTIVAL PERMIT.**

13 **(B) (1) AN APPLICANT FOR A NONPROFIT BEER FESTIVAL PERMIT SHALL**
14 **BE A NONPROFIT ORGANIZATION, AS DEFINED BY § 501(C) OF THE INTERNAL**
15 **REVENUE CODE.**

16 **(2) ~~THE OFFICE OF THE COMPTROLLER~~ A LOCAL LICENSING BOARD**
17 **MAY ISSUE THE PERMIT TO A NONPROFIT ORGANIZATION THAT MEETS THE**
18 **REQUIREMENTS OF THIS SECTION.**

19 **(3) A PERMIT AUTHORIZES THE PERMIT HOLDER TO CONDUCT A**
20 **NONPROFIT BEER FESTIVAL FOR AT LEAST 1 DAY AND NOT MORE THAN 3**
21 **CONSECUTIVE DAYS.**

22 **(C) (1) THE PERMIT HOLDER MAY PURCHASE BEER AT WHOLESALE TO:**

23 **(I) PROVIDE TO A CONSUMER A SAMPLE THAT MAY NOT**
24 **EXCEED 1 FLUID OUNCE FOR EACH BRAND; AND**

25 **(II) SELL TO A CONSUMER BEER FOR ON- AND OFF-PREMISES**
26 **CONSUMPTION.**

27 **(2) THE PERMIT HOLDER SHALL PROVIDE SPACE AT A NONPROFIT**
28 **BEER FESTIVAL FOR HOLDERS OF BREWING COMPANY OFF-SITE PERMITS.**

29 **(3) A HOLDER OF A BREWING COMPANY OFF-SITE PERMIT THAT**
30 **ATTENDS A NONPROFIT BEER FESTIVAL MAY PROVIDE BEER TO A CONSUMER IN THE**
31 **SAME MANNER AS THE HOLDER OF THE NONPROFIT BEER FESTIVAL PERMIT.**

1 (4) THE PERMIT HOLDER MAY PROVIDE OR SELL AT THE NONPROFIT
2 BEER FESTIVAL ONLY ALCOHOLIC BEVERAGES PROVIDED BY THE PERMIT HOLDER
3 OR A HOLDER OF A BREWING COMPANY OFF-SITE PERMIT THAT IS IN ATTENDANCE.

4 (D) AT ALL TIMES DURING THE NONPROFIT BEER FESTIVAL, THE PERMIT
5 HOLDER SHALL HAVE PRESENT AT LEAST TWO AGENTS, ONE OF WHOM MAY BE THE
6 PERMIT HOLDER, WHO ARE CERTIFIED BY AN APPROVED ALCOHOL AWARENESS
7 PROGRAM.

8 (E) AN APPLICANT FOR A NONPROFIT BEER FESTIVAL PERMIT SHALL:

9 (1) NO LESS THAN 30 DAYS BEFORE THE PROPOSED EVENT, SUBMIT
10 TO THE ~~OFFICE OF THE COMPTROLLER~~ LOCAL LICENSING BOARD A COMPLETED
11 APPLICATION ON A FORM THAT THE OFFICE OF THE COMPTROLLER PROVIDES
12 THAT:

13 (I) STATES THAT THE PRIMARY PURPOSE OF THE NONPROFIT
14 BEER FESTIVAL IS TO PROMOTE MARYLAND BEER;

15 (II) PROVIDES DETAILS OF THE NONPROFIT BEER FESTIVAL,
16 INCLUDING THE LOCATION, DATES, AND TIMES OF OPERATION; AND

17 (III) INCLUDES APPROPRIATE EVIDENCE THAT THE OWNER OF
18 THE PROPERTY IN WHICH THE NONPROFIT BEER FESTIVAL MAY BE HELD HAS GIVEN
19 PERMISSION TO THE APPLICANT TO HAVE THE NONPROFIT BEER FESTIVAL ON ITS
20 PREMISES; AND

21 (2) PAY A FEE OF \$100 FOR THE NONPROFIT BEER FESTIVAL PERMIT
22 TO THE LOCAL LICENSING BOARD.

23 (F) NO LESS THAN 15 DAYS BEFORE THE NONPROFIT BEER FESTIVAL, THE
24 PERMIT HOLDER SHALL PROVIDE THE ~~OFFICE OF THE COMPTROLLER~~ LOCAL
25 LICENSING BOARD WITH A LIST OF BREWING COMPANY OFF-SITE PERMIT HOLDERS
26 THAT WILL ATTEND.

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