

HOUSE BILL 550

A1

6lr1655
CF SB 410

By: **Delegates Clippinger, Hammen, and Lierman**

Introduced and read first time: February 3, 2016

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 9, 2016

CHAPTER _____

1 AN ACT concerning

2 **Distillery License Holders – Sale of Product to Participants in Guided Tours**

3 FOR the purpose of repealing a certain provision of law that limits a distillery license holder
4 to selling product and related merchandise to an individual on a guided tour of the
5 distillery only if the license holder manufactures not more than a certain gallonage
6 annually; and generally relating to sales of alcoholic beverages by holders of
7 distillery licenses.

8 BY repealing and reenacting, with amendments,
9 Article – Alcoholic Beverages
10 Section 2–202
11 Annotated Code of Maryland
12 (As enacted by Chapter ___ (S.B. ___)(6lr1406) of the Acts of the General Assembly
13 of 2016)

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

16 **Article – Alcoholic Beverages**

17 2–202.

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

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

3 (c) A license holder may:

4 (1) establish and operate a plant for distilling brandy, rum, whiskey,
5 alcohol, and neutral spirits at the location described in the license;

6 (2) sell and deliver the alcoholic beverages:

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

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

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

13 (4) acquire alcoholic beverages in bulk from the holder of a Class 1
14 distillery license, Class 2 rectifying license, Class 3 winery license, or nonresident dealer's
15 permit; and

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

17 (ii) serve not more than three samples of products manufactured at
18 the licensed premises, with each sample consisting of not more than one-half ounce from a
19 single product, to an individual who has attained the legal drinking age and participated
20 in a guided tour of the licensed premises; and

21 (iii) [subject to subsection (d) of this section,] sell not more than three
22 750-milliliter bottles of products manufactured on the licensed premises, for off-premises
23 consumption, and related merchandise to an individual who has attained the legal drinking
24 age and participated in a guided tour of the licensed premises.

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

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

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

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

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

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

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

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

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

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

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

17 **[(j)](I)** Nothing in this section limits the application of relevant provisions of
18 Title 21 of the Health – General Article, and regulations adopted under that title, to a
19 license holder.

20 **[(k)](J)** The annual license fee is \$2,000.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2016.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.