

SENATE BILL 630

A2
SB 911/15 – EHE

6lr0572

By: **Senator Hershey**

Introduced and read first time: February 5, 2016

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 15, 2016

CHAPTER _____

1 AN ACT concerning

2 **Comptroller – Distillery Off-Site Permit and Liquor Festival Permit**

3 FOR the purpose of authorizing ~~the Office of~~ the Comptroller to issue a distillery off-site
4 permit to a holder of a Class 1 ~~manufacturer's~~ distillery license or a Class 9 limited
5 distillery license for certain purposes under certain circumstances; establishing
6 certain limitations on the times and locations that distillery off-site permits may be
7 used in a year; establishing certain requirements and a fee for the distillery off-site
8 permit; authorizing the holder of the distillery off-site permit to provide samples of
9 and sell certain liquor at certain events under certain circumstances; requiring that
10 the permit holders have present at each event at least one individual who is certified
11 by an approved alcohol awareness program; requiring the distillery off-site permit
12 holder to notify the Comptroller of the permit holder's intention to attend an event
13 within a time period that the Comptroller determines; requiring that the notice be
14 on a certain form; authorizing the Comptroller to adopt certain regulations;
15 authorizing the Comptroller to issue a liquor festival permit to a certain
16 organization; providing that the permit authorizes the permit holder to conduct a
17 liquor festival for a certain time and purchase liquor at wholesale for certain
18 purposes; requiring the liquor festival permit holder to provide space at a liquor
19 festival for holders of distillery off-site permits; providing that a holder of a distillery
20 off-site permit that attends a liquor festival may provide liquor to a consumer in a
21 certain manner; authorizing the liquor festival permit holder to provide or sell at a
22 liquor festival only certain alcoholic beverages; allowing a liquor sample to be served
23 that is blended with certain products; requiring that the liquor festival permit holder
24 have present at all times at least two individuals who are certified by an approved
25 alcohol awareness program; requiring an applicant for a liquor festival permit 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.



submit an application to the Comptroller before a certain time; requiring that the application be on a certain form and contain certain information; requiring a holder of a liquor festival permit to provide the Comptroller with a certain list before a certain time; establishing a fee for a liquor festival permit; and generally relating to ~~liquor and~~ liquor, distillery off-site permits, and liquor festival permits.

BY adding to

~~Article 2B – Alcoholic Beverages~~

~~Section 2-101(b)(11) and (z)~~

~~Annotated Code of Maryland~~

~~(2011 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, with amendments,

~~Article – Alcoholic Beverages~~

~~The part designation “Part IV. Beer, Wine, and Liquor Permits” immediately preceding Section 2-129~~

~~Annotated Code of Maryland~~

~~(As enacted by Chapter (S.B. 724) of the Acts of the General Assembly of 2016)~~

BY repealing and reenacting, without amendments,

~~Article – Alcoholic Beverages~~

~~Section 2-129~~

~~Annotated Code of Maryland~~

~~(As enacted by Chapter (S.B. 724) of the Acts of the General Assembly of 2016)~~

BY adding to

~~Article – Alcoholic Beverages~~

~~Section 2-132.1 and 2-132.2~~

~~Annotated Code of Maryland~~

~~(As enacted by Chapter (S.B. 724) of the Acts of the General Assembly of 2016)~~

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

Article ~~2B~~ – Alcoholic Beverages

~~2-101.~~

~~(b) (11) THE ANNUAL FEE FOR A DISTILLERY OFF-SITE PERMIT IS \$100.~~

~~(z) (1) THE OFFICE OF THE COMPTROLLER MAY ISSUE A DISTILLERY OFF-SITE PERMIT TO THE HOLDER OF A CLASS 1 MANUFACTURER’S LICENSE.~~

~~(2) THE PERMIT HOLDER MAY USE THE PERMIT FOR NOT MORE THAN 12 EVENTS IN ANY GIVEN CALENDAR YEAR.~~

~~(3) AN EVENT FOR WHICH THE PERMIT IS USED MAY NOT EXCEED 3 CONSECUTIVE DAYS.~~

~~(4) A PERMIT HOLDER MAY NOT USE THE PERMIT MORE THAN ONCE IN A GIVEN POLITICAL SUBDIVISION IN A CALENDAR YEAR.~~

~~(5) THE PERMIT MAY BE USED ONLY FOR AN EVENT THAT:~~

~~(I) HAS AS ITS MAJOR PURPOSE AN ACTIVITY OTHER THAN THE SALE AND PROMOTION OF LIQUOR AND FOR WHICH THE PARTICIPATION OF THE HOLDER IS A SUBORDINATE ACTIVITY;~~

~~(II) IS ORGANIZED AND CONDUCTED BY A NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY;~~

~~(III) THE OFFICE OF THE COMPTROLLER APPROVES; AND~~

~~(IV) IS HELD ON A NONLICENSED PREMISES OR A PREMISES ON WHICH A PERSON MAY OBTAIN A TEMPORARY ALCOHOLIC BEVERAGES LICENSE.~~

~~(6) THE PERMIT AUTHORIZES THE HOLDER TO:~~

~~(I) PROVIDE SAMPLES NOT TO EXCEED ONE HALF FLUID OUNCE PER BRAND OF PRODUCT PRODUCED BY THE PERMIT HOLDER TO CONSUMERS;~~

~~(II) SELL NOT MORE THAN THREE 750 MILLILITER BOTTLES OF LIQUOR TO A CONSUMER AT ANY GIVEN EVENT OR FESTIVAL FOR OFF-PREMISES CONSUMPTION; AND~~

~~(III) SELL BY THE GLASS LIQUOR THE LICENSE HOLDER PRODUCES TO PERSONS PARTICIPATING IN AN EVENT AND FOR ON-PREMISES CONSUMPTION.~~

~~(7) THE PERMIT HOLDER SHALL HAVE PRESENT AT AN EVENT AT LEAST ONE INDIVIDUAL WHO IS CERTIFIED BY AN APPROVED ALCOHOL AWARENESS PROGRAM.~~

Part IV. Beer [and Wine], WINE, AND LIQUOR Permits.

2-129.

This part applies statewide.

2-132.1.

1 **(A) THERE IS A DISTILLERY OFF-SITE PERMIT.**

2 **(B) THE COMPTROLLER MAY ISSUE THE PERMIT TO A HOLDER OF A CLASS**
3 **1 DISTILLERY LICENSE OR A CLASS 9 LIMITED DISTILLERY LICENSE THAT MEETS**
4 **THE REQUIREMENTS OF THIS SECTION.**

5 **(C) DURING AN EVENT LISTED IN SUBSECTION (E) OF THIS SECTION, THE**
6 **PERMIT HOLDER MAY:**

7 **(1) PROVIDE TO A CONSUMER NOT MORE THAN FOUR LIQUOR**
8 **SAMPLES THAT:**

9 **(I) HAVE BEEN PRODUCED BY THE PERMIT HOLDER; AND**

10 **(II) DO NOT EXCEED ONE-QUARTER OF 1 FLUID OUNCE FOR**
11 **EACH OFFERING; AND**

12 **(2) SELL TO A CONSUMER LIQUOR THAT HAS BEEN PRODUCED BY THE**
13 **PERMIT HOLDER FOR OFF-PREMISES CONSUMPTION.**

14 **(D) WHILE SELLING LIQUOR OR PROVIDING SAMPLES OF LIQUOR AT AN**
15 **EVENT, THE PERMIT HOLDER SHALL HAVE PRESENT AT LEAST ONE INDIVIDUAL WHO**
16 **IS CERTIFIED BY AN APPROVED ALCOHOL AWARENESS PROGRAM.**

17 **(E) THE PERMIT MAY BE USED AT THE FOLLOWING EVENTS:**

18 **(1) THE FREDERICK COUNTY AGRICULTURAL FAIR;**

19 **(2) THE MARYLAND STATE AGRICULTURAL FAIR;**

20 **(3) THE MONTGOMERY COUNTY AGRICULTURAL FAIR;**

21 **(4) THE NORTH BEACH FRIDAY NIGHT FARMERS' MARKET AND**
22 **FOUR OTHER FARMERS' MARKETS THAT ARE LISTED ON THE FARMERS' MARKET**
23 **DIRECTORY OF THE MARYLAND DEPARTMENT OF AGRICULTURE;**

24 **(5) A LIQUOR FESTIVAL UNDER § 2-132.2 OF THIS SUBTITLE; AND**

25 **(6) NOT MORE THAN SIX OTHER EVENTS IN A YEAR THAT HAVE AS THE**
26 **MAJOR PURPOSE OF THE EVENT AN ACTIVITY:**

27 **(I) THAT IS OTHER THAN THE SALE AND PROMOTION OF**
28 **ALCOHOLIC BEVERAGES; AND**

1 (II) FOR WHICH THE PARTICIPATION OF A DISTILLERY IS A
2 SUBORDINATE ACTIVITY.

3 (F) AN APPLICANT FOR A PERMIT SHALL COMPLETE AN APPLICATION ON A
4 FORM THAT THE COMPTROLLER PROVIDES.

5 (G) (1) (I) THE PERMIT HOLDER SHALL NOTIFY THE COMPTROLLER
6 OF THE PERMIT HOLDER'S INTENTION TO ATTEND AN EVENT WITHIN A TIME PERIOD
7 THAT THE COMPTROLLER DETERMINES.

8 (II) THE NOTICE SHALL BE ON A FORM THAT THE
9 COMPTROLLER PROVIDES.

10 (2) THE COMPTROLLER MAY ADOPT REGULATIONS TO REQUIRE THE
11 PERMIT HOLDER TO NOTIFY THE LOCAL LICENSING BOARD FOR THE JURISDICTION
12 WHERE THE EVENT IS BEING HELD OF THE PERMIT HOLDER'S INTENTION TO
13 ATTEND THE EVENT.

14 (H) THE ANNUAL PERMIT FEE IS \$250.

15 2-132.2.

16 (A) THERE IS A LIQUOR FESTIVAL PERMIT.

17 (B) THE COMPTROLLER MAY ISSUE THE PERMIT TO A NONPROFIT
18 ORGANIZATION, AS DEFINED BY § 501(C) OF THE INTERNAL REVENUE CODE, THAT
19 MEETS THE REQUIREMENTS OF THIS SECTION.

20 (C) (1) THE PERMIT AUTHORIZES THE PERMIT HOLDER TO:

21 (I) CONDUCT A LIQUOR FESTIVAL FOR AT LEAST 1 DAY BUT NOT
22 MORE THAN 3 CONSECUTIVE DAYS; AND

23 (II) PURCHASE LIQUOR AT WHOLESALE TO:

24 1. PROVIDE TO A CONSUMER AT NO COST OR FOR A FEE
25 NOT MORE THAN FOUR SAMPLES THAT DO NOT EXCEED ONE-QUARTER OF 1 FLUID
26 OUNCE FOR EACH OFFERING; AND

27 2. SELL TO A CONSUMER LIQUOR FOR OFF-PREMISES
28 CONSUMPTION.

29 (2) THE PERMIT HOLDER SHALL PROVIDE SPACE AT A LIQUOR
30 FESTIVAL FOR HOLDERS OF DISTILLERY OFF-SITE PERMITS.

1 **(3) A HOLDER OF A DISTILLERY OFF-SITE PERMIT THAT ATTENDS A**
2 **LIQUOR FESTIVAL MAY PROVIDE LIQUOR TO A CONSUMER IN THE SAME MANNER AS**
3 **THE HOLDER OF THE LIQUOR FESTIVAL PERMIT.**

4 **(4) (I) THE PERMIT HOLDER MAY PROVIDE OR SELL AT THE**
5 **LIQUOR FESTIVAL ONLY ALCOHOLIC BEVERAGES PROVIDED BY THE PERMIT**
6 **HOLDER OR A HOLDER OF A DISTILLERY OFF-SITE PERMIT WHO IS IN ATTENDANCE.**

7 **(II) A SAMPLE MAY BE SERVED THAT IS BLENDED WITH**
8 **PRODUCTS MANUFACTURED BY A HOLDER OF A DISTILLERY OFF-SITE PERMIT AND**
9 **NONALCOHOLIC INGREDIENTS.**

10 **(D) AT ALL TIMES DURING THE LIQUOR FESTIVAL, THE PERMIT HOLDER**
11 **SHALL HAVE PRESENT AT LEAST TWO INDIVIDUALS, ONE OF WHOM MAY BE THE**
12 **PERMIT HOLDER, WHO ARE CERTIFIED BY AN APPROVED ALCOHOL AWARENESS**
13 **PROGRAM.**

14 **(E) (1) NOT LESS THAN 30 DAYS BEFORE THE DAY THE LIQUOR FESTIVAL**
15 **IS SCHEDULED TO BEGIN, AN APPLICANT FOR THE PERMIT SHALL SUBMIT A**
16 **COMPLETED APPLICATION TO THE COMPTROLLER.**

17 **(2) THE APPLICATION SHALL:**

18 **(I) BE ON A FORM THAT THE COMPTROLLER PROVIDES;**

19 **(II) STATE THAT THE PRIMARY PURPOSE OF THE LIQUOR**
20 **FESTIVAL IS TO PROMOTE MARYLAND LIQUOR;**

21 **(III) PROVIDE DETAILS OF THE LIQUOR FESTIVAL, INCLUDING**
22 **THE LOCATION, DATES, AND TIMES OF OPERATION; AND**

23 **(IV) INCLUDE APPROPRIATE EVIDENCE THAT THE APPLICANT**
24 **HAS BEEN GIVEN PERMISSION BY THE OWNER OF THE PROPERTY WHERE THE**
25 **LIQUOR FESTIVAL IS TO BE HELD.**

26 **(F) NOT LESS THAN 15 DAYS BEFORE THE LIQUOR FESTIVAL, THE PERMIT**
27 **HOLDER SHALL PROVIDE THE COMPTROLLER WITH A LIST OF DISTILLERY OFF-SITE**
28 **PERMIT HOLDERS THAT WILL ATTEND.**

29 **(G) THE PERMIT FEE IS \$100.**

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
31 1, 2016.