

SENATE BILL 1172

A1

7lr3771

By: **Senator Bates**

Introduced and read first time: March 6, 2017

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Class 5 Breweries – Barrelage and Hours of Sale**

3 FOR the purpose of repealing the requirement that a local licensing board grant an
4 on-site consumption permit under certain conditions; altering the amount of beer
5 that a holder of a Class 5 brewery license may sell for on-premises consumption;
6 specifying hours of sale for beer sold for on-premises consumption, unless the hours
7 are otherwise determined by the local licensing board for the jurisdiction in which
8 the Class 5 brewery is located; and generally relating to Class 5 breweries.

9 BY repealing and reenacting, with amendments,
10 Article – Alcoholic Beverages
11 Section 2–207
12 Annotated Code of Maryland
13 (2016 Volume and 2016 Supplement)

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

Article – Alcoholic Beverages

16 2–207.

17 (a) There is a Class 5 brewery license.

18 (b) A license holder may:

19 (1) establish and operate a plant for brewing and bottling malt beverages
20 at the location described in the license;

21 (2) import beer from a holder of a nonresident dealer's permit;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) sell and deliver beer to:

2 (i) a holder of a wholesaler's license that is authorized to acquire
3 beer; or

4 (ii) a person outside of the State that is authorized to acquire beer;

5 (4) serve, at no charge, not more than six samples of beer brewed at the
6 brewery, with each sample consisting of not more than 3 ounces from a single style of beer,
7 to an individual who:

8 (i) has attained the legal drinking age; and

9 (ii) is participating in a guided tour of the brewery or attends a
10 scheduled promotional event or other organized activity at the brewery;

11 (5) subject to subsection (c) of this section, sell beer brewed at the brewery
12 for off-premises consumption at retail to an individual participating in a guided tour of the
13 brewery or attending a scheduled promotional event or other organized activity at the
14 brewery; and

15 (6) subject to subsection (e) of this section, sell beer brewed at the location
16 described in the license for on-premises consumption.

17 (c) An individual may purchase beer under subsection (b)(5) of this section if the
18 individual:

19 (1) purchases not more than 288 ounces of beer; and

20 (2) has attained the legal drinking age.

21 (d) The annual license fee is \$1,500.

22 [(e) (1) A local licensing board shall grant an on-site consumption permit to an
23 applicant that holds a Class 5 brewery license and, subject to paragraph (3) of this
24 subsection, a Class D beer license.

25 (2) (i) An on-site consumption permit entitles the holder to sell beer
26 brewed at the brewery for on-premises consumption to an individual who has attained the
27 legal drinking age.

28 (ii) The total amount of beer sold each year for on-premises
29 consumption under this paragraph may not exceed 500 barrels.

30 (3) Before a local licensing board that does not issue a Class D beer license
31 may grant an on-site consumption permit, the local licensing board shall:

- 1 (i) establish an equivalent license; and
- 2 (ii) require the applicant to obtain that equivalent license.
- 3 (4) A local licensing board may:
- 4 (i) charge a fee for granting an on-site consumption permit; and
- 5 (ii) require that the holder of the permit or an employee designated
- 6 by the holder comply with the alcohol awareness training requirements under § 4-505 of
- 7 this article.]

8 **(E) (1) A LICENSE HOLDER MAY SELL ANNUALLY FOR ON-PREMISES**

9 **CONSUMPTION:**

10 **(I) NOT MORE THAN 5,000 BARRELS OF BEER THAT IS BREWED**

11 **BY THE LICENSE HOLDER; AND**

12 **(II) AN AMOUNT IN EXCESS OF 5,000 BARRELS THAT IS BREWED**

13 **BY THE LICENSE HOLDER, IF THE LICENSE HOLDER FIRST PURCHASES THAT**

14 **AMOUNT FROM A LICENSED WHOLESALER.**

15 **(2) UNLESS OTHERWISE DETERMINED BY THE LOCAL LICENSING**

16 **BOARD FOR THE JURISDICTION IN WHICH THE CLASS 5 BREWERY IS LOCATED, THE**

17 **HOURS OF SALE FOR BEER SOLD FOR ON-PREMISES CONSUMPTION ARE:**

18 **(I) FROM 10 A.M. TO 10 P.M. ON SUNDAY THROUGH THURSDAY;**

19 **AND**

20 **(II) FROM 10 A.M. TO MIDNIGHT ON FRIDAY AND SATURDAY.**

21 **(3) A LICENSE HOLDER OR AN EMPLOYEE DESIGNATED BY THE**

22 **LICENSE HOLDER SHALL COMPLY WITH THE ALCOHOL AWARENESS TRAINING**

23 **REQUIREMENTS UNDER § 4-505 OF THIS ARTICLE.**

24 (f) (1) The Comptroller may issue a brewery promotional event permit to a

25 holder of a Class 5 brewery license.

26 (2) The permit authorizes the holder to conduct on the premises of the

27 brewery a promotional event at which the holder may:

28 (i) provide samples of not more than 3 fluid ounces per brand to

29 consumers; and

1 (ii) sell beer produced by the holder to individuals who participate in
2 the event.

3 (3) The beer at the event shall be sold by the glass for on-premises
4 consumption only.

5 (4) To obtain a permit, an applicant, at least 15 days before the event, shall
6 file with the Comptroller an application that the Comptroller provides.

7 (5) A holder of a Class 5 brewery license may not be issued more than 12
8 permits in a calendar year.

9 (6) A single promotional event may not exceed 3 consecutive days.

10 (7) The permit fee is \$25 per event.

11 (g) (1) (i) The Comptroller may issue a refillable container permit for draft
12 beer under § 4-1104 or Subtitle 11 of the various titles in Division II of this article to a
13 holder of a Class 5 brewery license:

14 1. on completion of an application form that the Comptroller
15 provides; and

16 2. at no cost to the holder of the Class 5 brewery license.

17 (ii) A refillable container permit may be renewed each year
18 concurrently with the renewal of the Class 5 brewery license.

19 (2) The hours of sale for a refillable container permit issued under this
20 subsection are the same as the hours when a guided tour, a promotional event, or other
21 organized activity at the licensed premises authorized under subsection (b) of this section
22 may be conducted.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2017.