

Chapter 306

**(House Bill 397)**

AN ACT concerning

**Montgomery County – Alcoholic Beverages – Licenses**

**MC 17-17**

FOR the purpose of authorizing a holder of a Class 7 micro-brewery license ~~to obtain a second location in the State to brew and bottle certain beverages produced at the first micro-brewery location; exempting the holder of a Class 7 micro-brewery license in Montgomery County from a certain provision of law~~ in two locations using the same license under certain conditions; authorizing the license holder to obtain a Class 2 rectifying license for use at the locations; requiring the license holder to request and obtain permission of the Comptroller to brew in certain locations; requiring the Comptroller to make a certain determination and consider certain factors before authorizing brewing in two locations under a single license; prohibiting the license holder from serving or selling certain beverages for on- or off-premises consumption at the second brewing location; and generally relating to alcoholic beverages licenses in Montgomery County.

BY repealing and reenacting, without amendments,  
Article – Alcoholic Beverages  
Section 2-209(a) and (e), 4-203, and 25-102  
Annotated Code of Maryland  
(2016 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,  
Article – Alcoholic Beverages  
Section 25-405  
Annotated Code of Maryland  
(2016 Volume and 2016 Supplement)

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

**Article – Alcoholic Beverages**

2-209.

- (a) There is a Class 7 micro-brewery license.
- (e) A license holder:

(1) may not own, operate, or be affiliated with another manufacturer of beer except for a Class 2 rectifying license authorized under subsection (c)(2) of this section; and

(2) may not be granted a wholesaler's license.

4–203.

(a) Except as otherwise provided in Division II of this article or Title 3, Title 4, or Title 5 of this division, more than one license may not be issued:

(1) to an individual; or

(2) for the use of a partnership, a corporation, an unincorporated association, or a limited liability company.

(b) Except as otherwise provided in Division II of this article or Title 3, Title 4, or Title 5 of this division, an individual may not be issued in the State more than one Class A, Class C, or Class D license for the use of:

(1) that individual; or

(2) a partnership, a corporation, an unincorporated association, or a limited liability company.

25–102.

This title applies only in Montgomery County.

25–405.

(a) This section applies to a Class 7 micro–brewery (on– and off–sale) license in the county.

(b) The license may be issued to the holder of:

(1) a Class B beer, wine, and liquor (on–sale) license that is issued for use on the premises of a restaurant located in the county;

(2) a Class I beer and wine license; or

(3) a Class H beer and wine license.

(c) A holder of the license~~;~~

~~(1)~~ shall enter into a written agreement with the Department of Liquor Control for the sale and resale of malt beverages brewed under the license;

~~(2) MAY HAVE A SECOND LOCATION IN THE STATE TO BREW AND BOTTLE THE MALT BEVERAGES PRODUCED AT THE FIRST LOCATION; AND~~

~~(3) IS NOT SUBJECT TO THE MANUFACTURING AND LICENSING PROHIBITIONS UNDER § 2-209(E) OF THIS ARTICLE.~~

(D) (1) SUBJECT TO PARAGRAPHS (2), (3), AND (4) OF THIS SUBSECTION, THE HOLDER OF A CLASS 7 MICRO-BREWERY LICENSE MAY:

(I) BREW IN TWO LOCATIONS USING THE SAME CLASS 7 MICRO-BREWERY LICENSE; AND

(II) OBTAIN A CLASS 2 RECTIFYING LICENSE FOR THE PREMISES AT THE TWO LOCATIONS AUTHORIZED UNDER ITEM (I) OF THIS PARAGRAPH.

(2) THE HOLDER OF A CLASS 7 MICRO-BREWERY LICENSE MAY BREW IN TWO LOCATIONS USING THE SAME CLASS 7 MICRO-BREWERY LICENSE IF THE LICENSE HOLDER:

(I) REQUESTS PERMISSION BY SUBMITTING A WRITTEN APPLICATION TO THE COMPTROLLER; AND

(II) OBTAINS WRITTEN APPROVAL FROM THE COMPTROLLER.

(3) BEFORE AUTHORIZING A HOLDER OF A CLASS 7 MICRO-BREWERY LICENSE TO BREW IN TWO LOCATIONS USING THE SAME CLASS 7 MICRO-BREWERY LICENSE, THE COMPTROLLER SHALL:

(I) MAKE A DETERMINATION THAT A SECOND LOCATION TO BREW ADDITIONAL CAPACITY IS NECESSARY DUE TO INSUFFICIENT SPACE AT THE EXISTING CLASS 7 LICENSE LOCATION; AND

(II) CONSIDER ANY OTHER FACTOR RELEVANT TO APPROVAL OF THE APPLICATION.

(4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, A HOLDER OF A CLASS 7 MICRO-BREWERY LICENSE MAY NOT SERVE OR SELL MALT BEVERAGES FOR ON- OR OFF-PREMISES CONSUMPTION AT THE SECOND BREWING LOCATION AUTHORIZED UNDER THIS SUBSECTION.

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

**Approved by the Governor, April 18, 2017.**