

HOUSE BILL 1018

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CF 1r2111

By: **Charles County Delegation**

Introduced and read first time: February 5, 2021

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Charles County – Alcoholic Beverages – Class 4 Limited Winery License**

3 FOR the purpose of exempting a holder of a Class 4 limited winery license from certain
4 restrictions on interactions with retailers in Charles County; authorizing a holder of
5 a Class 4 limited winery license to have a financial interest in a certain other license;
6 and generally relating to alcoholic beverages in Charles County.

7 BY repealing and reenacting, without amendments,

8 Article – Alcoholic Beverages

9 Section 2–216(a)(1) and (3), (b), and (e) and 18–102

10 Annotated Code of Maryland

11 (2016 Volume and 2020 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Alcoholic Beverages

14 Section 18–401

15 Annotated Code of Maryland

16 (2016 Volume and 2020 Supplement)

17 BY adding to

18 Article – Alcoholic Beverages

19 Section 18–403

20 Annotated Code of Maryland

21 (2016 Volume and 2020 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

23 That the Laws of Maryland read as follows:

24 **Article – Alcoholic Beverages**

25 2–216.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) In this section the following words have the meanings indicated.

2 (3) “Manufacturing entity” means:

3 (i) a holder of a manufacturer’s license or a person connected with
4 the business of the holder; or

5 (ii) a distiller, nonresident dealer, resident dealer, brewer, rectifier,
6 blender, or bottler of alcoholic beverages.

7 (b) Except as otherwise provided in this section:

8 (1) a manufacturing entity may not have a financial interest in:

9 (i) the premises on or in which a license holder sells alcoholic
10 beverages at retail; or

11 (ii) a business that a license holder conducts;

12 (2) a manufacturing entity may not lend money or any other thing of value,
13 make a gift, or offer a gratuity to a retail dealer;

14 (3) a retail dealer may not accept, receive, or make use of money, a gift, or
15 an advertisement provided by a manufacturing entity or become indebted to a
16 manufacturing entity except for the purchase of alcoholic beverages and allied products
17 purchased for resale; and

18 (4) a manufacturing entity may not provide an advertisement to a retail
19 dealer.

20 (e) (1) Subsections (b) and (c) of this section do not apply to:

21 (i) a holder of a Class 6 pub–brewery license with respect to the malt
22 beverages brewed on the premises; or

23 (ii) a holder of a Class 7 micro–brewery license with respect to the
24 malt beverages brewed on the premises that are sold:

25 1. on the licensed premises of the brewery; or

26 2. in a restaurant or brewery pub owned, conducted, and
27 operated by the holder in or adjacent to the brewery for which it is licensed.

28 (2) A holder of a Class 6 pub–brewery license or a Class 7 micro–brewery
29 license may hold or have a financial interest in one retail license that does not apply to
30 premises to which a Class 6 pub–brewery license or Class 7 micro–brewery license applies.

1 18-102.

2 This title applies only in Charles County.

3 18-401.

4 (A) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of
5 Division I of this article apply in the county without exception or variation:

6 (1) § 2-201 (“Issuance by Comptroller”);

7 (2) § 2-202 (“Class 1 distillery license”);

8 (3) § 2-203 (“Class 9 limited distillery license”);

9 (4) § 2-204 (“Class 2 rectifying license”);

10 (5) § 2-205 (“Class 3 winery license”);

11 (6) § 2-206 (“Class 4 limited winery license”);

12 (7) § 2-207 (“Class 5 brewery license”);

13 (8) § 2-208 (“Class 6 pub-brewery license”);

14 (9) § 2-209 (“Class 7 micro-brewery license”);

15 (10) § 2-210 (“Class 8 farm brewery license”);

16 (11) § 2-211 (“Residency requirement”);

17 (12) § 2-212 (“Additional licenses”);

18 (13) § 2-213 (“Additional fees”);

19 (14) § 2-214 (“Sale or delivery restricted”);

20 (15) § 2-215 (“Beer sale on credit to retail dealer prohibited”);

21 (16) [§ 2-216 (“Interaction between manufacturing entities and retailers”);

22 (17)] § 2-217 (“Distribution of alcoholic beverages — Prohibited practices”);

23 and

24 [(18)] (17) § 2-218 (“Restrictive agreements between producers and
25 retailers — Prohibited”).

1 **(B) SECTION 2-216 (“INTERACTION BETWEEN MANUFACTURING ENTITIES**
2 **AND RETAILERS”)** OF DIVISION I OF THIS ARTICLE APPLIES IN THE COUNTY,
3 **SUBJECT TO § 18-403 OF THIS SUBTITLE.**

4 **18-403.**

5 **(A) SECTION 2-216(B) OF THIS ARTICLE DOES NOT APPLY TO A HOLDER OF**
6 **A CLASS 4 LIMITED WINERY LICENSE.**

7 **(B) A HOLDER OF A CLASS 4 LIMITED WINERY LICENSE MAY HOLD OR HAVE**
8 **A FINANCIAL INTEREST IN ONE RETAIL LICENSE THAT DOES NOT APPLY TO THE**
9 **PREMISES FOR WHICH A CLASS 4 LIMITED WINERY LICENSE APPLIES.**

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
11 1, 2021.