

HOUSE BILL 1232

A1

EMERGENCY BILL

11r2319
CF SB 821

By: **Delegate Brooks**

Introduced and read first time: February 8, 2021

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Manufacturer’s Licenses and Off-Site Permits**

3 FOR the purpose of repealing certain provisions relating to brewing company, winery, and
4 distillery off-site permits; establishing a manufacturer’s off-site permit with certain
5 privileges; authorizing the Alcohol and Tobacco Commission to issue a permit to the
6 holder of certain manufacturer’s licenses; authorizing a permit holder to sell and
7 provide certain products at certain events; requiring a permit holder to have an
8 employee trained in alcohol awareness present at certain events; specifying certain
9 events at which a permit may be used; providing for a certain number of events at
10 which a permit may be used annually; specifying the primary purpose of certain
11 events; prohibiting use of the permit at more than a certain number of events
12 annually; requiring an applicant for a permit to complete a certain form; requiring a
13 permit holder to provide certain notification to the Commission; authorizing the
14 Commission to adopt certain regulations; establishing a certain fee; authorizing the
15 Commission to issue a brewery special event permit; requiring a certain license
16 holder to file a certain notice for a certain permit; authorizing a permit holder to host
17 a certain event; providing for the limitations of a certain permit; altering the volumes
18 of certain products that the holders of a certain license may sell under certain
19 circumstances; altering the volumes of beer that the holders of certain licenses may
20 produce and distribute annually; altering the method by which certain annual
21 license fees are determined; authorizing holders of a certain manufacturer’s license
22 to sell and deliver products produced under the holder’s license to an individual
23 located in the State under certain circumstances; authorizing certain holders of a
24 manufacturer’s license to directly ship alcohol to a consumer under certain
25 circumstances; correcting certain obsolete references; making this Act an emergency
26 measure; and generally relating to alcoholic beverages, manufacturer’s licenses, and
27 off-site permits.

28 BY repealing

29 Article – Alcoholic Beverages

30 Section 2–130, 2–132.2, 2–133, and 2–210(j)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2016 Volume and 2020 Supplement)

3 BY repealing and reenacting, without amendments,
4 Article – Alcoholic Beverages
5 Section 1–101(a), (f), and (j), 2–202(a), 2–203(a), 2–204(a), 2–205(a), 2–206(a),
6 2–207(b), 2–209(a), and 2–210(a)
7 Annotated Code of Maryland
8 (2016 Volume and 2020 Supplement)

9 BY adding to
10 Article – Alcoholic Beverages
11 Section 2–130, 2–140, 2–202(c)(7), 2–203(c)(8), and 2–219
12 Annotated Code of Maryland
13 (2016 Volume and 2020 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Alcoholic Beverages
16 Section 2–201, 2–202(c)(5) and (6) and (k), 2–203(c)(6) and (7) and (g), 2–204(i),
17 2–205(d), 2–206(b)(1) and (h), 2–207(c)(4), (d), (e), and (g) through (k),
18 2–209(c)(4), (f)(2), and (i), 2–210(b)(1), (c)(1)(i), (f), (k), and (l), and 2–212(b)(3)
19 and (4)
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 Section(s) 2–130, 2–132.2, and 2–133 of Article – Alcoholic Beverages of the Annotated
24 Code of Maryland be repealed.

25 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
26 as follows:

27 **Article – Alcoholic Beverages**

28 1–101.

29 (a) In this article the following words have the meanings indicated.

30 (f) “Commission” means the Alcohol and Tobacco Commission.

31 (j) (1) “Executive Director” means the Executive Director of the Commission.

32 (2) “Executive Director” includes a deputy, an inspector, a clerk, or any
33 other individual authorized to act by the Executive Director.

34 **2–130.**

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

2 **(B) THE COMMISSION MAY ISSUE THE PERMIT TO A HOLDER OF ANY OF THE**
3 **FOLLOWING LICENSES WHO MEETS THE REQUIREMENTS OF THIS SECTION:**

4 **(1) CLASS 1 DISTILLERY LICENSE;**

5 **(2) CLASS 3 WINERY LICENSE;**

6 **(3) CLASS 4 LIMITED WINERY LICENSE;**

7 **(4) CLASS 5 BREWERY LICENSE;**

8 **(5) CLASS 7 MICRO-BREWERY LICENSE;**

9 **(6) CLASS 8 FARM BREWERY LICENSE; OR**

10 **(7) CLASS 9 LIMITED DISTILLERY LICENSE.**

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

13 **(1) PROVIDE SAMPLES AND SELL PRODUCTS TO A CONSUMER THAT**
14 **ARE MANUFACTURED BY THE PERMIT HOLDER UNDER THE PERMIT HOLDER'S**
15 **LICENSE;**

16 **(2) PROVIDE TO A CONSUMER A SAMPLE THAT MAY NOT EXCEED:**

17 **(I) 1 FLUID OUNCE FOR EACH OFFERING OF WINE;**

18 **(II) 1 FLUID OUNCE FOR EACH OFFERING OF BEER; OR**

19 **(III) 0.25 FLUID OUNCE FOR EACH OFFERING OF LIQUOR;**

20 **(3) SELL TO A CONSUMER FOR ON-PREMISES CONSUMPTION; AND**

21 **(4) SELL TO A CONSUMER FOR OFF-PREMISES CONSUMPTION.**

22 **(D) THE PERMIT HOLDER SHALL HAVE PRESENT AT LEAST ONE INDIVIDUAL**
23 **WHO IS CERTIFIED BY AN APPROVED ALCOHOL AWARENESS PROGRAM WHILE**
24 **PROVIDING SAMPLES OR SELLING AN ALCOHOLIC BEVERAGE DURING AN EVENT.**

25 **(E) THE PERMIT MAY BE USED:**

1 **(1) AT THE FOLLOWING EVENTS:**

2 **(I) A COUNTY AGRICULTURAL FAIR;**

3 **(II) THE MARYLAND STATE AGRICULTURAL FAIR;**

4 **(III) A FARMER'S MARKET THAT IS LISTED ON THE FARMER'S**
5 **MARKET DIRECTORY OF THE MARYLAND DEPARTMENT OF AGRICULTURE; AND**

6 **(IV) A NONPROFIT BEER, WINE, AND LIQUOR FESTIVAL UNDER §**
7 **2-131 OF THIS SUBTITLE; AND**

8 **(2) FOR NOT MORE THAN 32 ADDITIONAL EVENTS IN 1 YEAR THAT**
9 **HAVE AN ACTIVITY:**

10 **(I) THAT HAS A PRIMARY PURPOSE OTHER THAN THE SALE AND**
11 **PROMOTION OF ALCOHOLIC BEVERAGES; OR**

12 **(II) FOR WHICH THE PARTICIPATION OF THE PERMIT HOLDER IS**
13 **SECONDARY.**

14 **(F) THE PERMIT MAY NOT BE USED FOR MORE THAN NINE EVENTS IN 1 YEAR**
15 **AT ANY INDIVIDUAL LOCATION.**

16 **(G) AN APPLICANT FOR A PERMIT SHALL COMPLETE AN APPLICATION ON A**
17 **FORM THAT THE COMMISSION AUTHORIZES.**

18 **(H) THE PERMIT HOLDER SHALL NOTIFY THE COMMISSION OF THE PERMIT**
19 **HOLDER'S INTENTION TO ATTEND AN EVENT WITHIN A PERIOD OF TIME THAT THE**
20 **COMMISSION DETERMINES ON THE FORM THAT THE COMMISSION AUTHORIZES.**

21 **(I) THE COMMISSION MAY ADOPT REGULATIONS TO REQUIRE THE PERMIT**
22 **HOLDER TO NOTIFY THE LOCAL LICENSING BOARD OF THE JURISDICTION WHERE**
23 **THE EVENT IS BEING HELD OF THE PERMIT HOLDER'S INTENTION TO ATTEND THE**
24 **EVENT.**

25 **(J) THE ANNUAL PERMIT FEE IS \$100.**

26 **2-140.**

27 **(A) THE COMMISSION MAY ISSUE A BREWERY SPECIAL EVENT PERMIT TO A**
28 **HOLDER OF A CLASS 5 BREWERY LICENSE OR A CLASS 8 FARM BREWERY LICENSE.**

1 **(B) AT LEAST 15 DAYS BEFORE HOLDING A SPECIAL EVENT, THE LICENSE**
2 **HOLDER SHALL OBTAIN A PERMIT FROM THE COMMISSION BY FILING A NOTICE OF**
3 **THE SPECIAL EVENT ON THE FORM THAT THE COMMISSION PROVIDES.**

4 **(C) THE PERMIT AUTHORIZES THE LICENSE HOLDER TO CONDUCT AT THE**
5 **LOCATION LISTED ON THE LICENSE A SPECIAL EVENT AT WHICH THE LICENSE**
6 **HOLDER MAY:**

7 **(1) PROVIDE SAMPLES OF NOT MORE THAN 6 FLUID OUNCES PER**
8 **BRAND TO CONSUMERS;**

9 **(2) SELL PRODUCTS MANUFACTURED BY THE LICENSE HOLDER AND**
10 **OTHER MARYLAND BREWERIES TO PERSONS WHO PARTICIPATE IN THE EVENT; AND**

11 **(3) IN A SEGREGATED AREA APPROVED BY THE COMMISSION AT THE**
12 **LOCATION LISTED ON THE LICENSE, STORE THE PRODUCTS OF OTHER MARYLAND**
13 **BREWERIES.**

14 **(D) THE PRODUCTS AT THE EVENT SHALL BE SOLD IN THE MANNER**
15 **AUTHORIZED UNDER THE PERMIT.**

16 **(E) THE LICENSE HOLDER MAY NOT BE ISSUED MORE THAN 12 PERMITS IN**
17 **A CALENDAR YEAR.**

18 **(F) A SINGLE SPECIAL EVENT MAY NOT EXCEED 3 CONSECUTIVE DAYS.**

19 **(G) THE PERMIT FEE IS \$25 PER EVENT.**

20 2–201.

21 Each license specified in this subtitle is a manufacturer's license that the
22 [Comptroller] COMMISSION issues.

23 2–202.

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

25 (c) A license holder may:

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

27 (ii) at no cost or for a fee, serve to an individual who has attained the
28 legal drinking age and participated in a guided tour of the licensed premises, not more than

1 2 ounces of products, with each product sample consisting of not more than one-half ounce
2 from a single product manufactured by the license holder;

3 (iii) serve samples blended with other products manufactured by the
4 license holder or nonalcoholic ingredients; and

5 (iv) sell [not more than 2.25 liters of] products manufactured on the
6 licensed premises, for off-premises consumption, and related merchandise to an individual
7 who has attained the legal drinking age [and participated in a guided tour of the licensed
8 premises];[and]

9 (6) subject to subsection (i) of this section, sell liquor manufactured by the
10 license holder that is mixed with other nonalcoholic ingredients; AND

11 **(7) SELL AND DELIVER PRODUCTS MANUFACTURED BY THE LICENSE**
12 **HOLDER TO AN INDIVIDUAL IN ACCORDANCE WITH § 2-219 OF THIS SUBTITLE.**

13 (k) The annual license fee [is]:

14 **(1) SHALL BE DETERMINED BY THE COMMISSION; AND**

15 **(2) MAY NOT EXCEED \$2,000.**

16 2-203.

17 (a) There is a Class 9 limited distillery license.

18 (c) A holder of the limited distillery license:

19 (6) may conduct guided tours of that portion of the licensed premises used
20 for the limited distillery operation; [and]

21 (7) may serve not more than three samples of products manufactured at
22 the licensed premises, with each sample consisting of not more than one-half ounce from a
23 single product, to persons who:

24 (i) have attained the legal drinking age;

25 (ii) participated in a guided tour; and

26 (iii) are present on that portion of the premises used for the limited
27 distillery operation; AND

1 **(8) MAY SELL AND DELIVER PRODUCTS MANUFACTURED BY THE**
2 **LICENSE HOLDER TO AN INDIVIDUAL IN ACCORDANCE WITH § 2-219 OF THIS**
3 **SUBTITLE.**

4 (g) The annual license fee [is]:

5 **(1) SHALL BE DETERMINED BY THE COMMISSION; AND**

6 **(2) MAY NOT EXCEED \$500.**

7 2-204.

8 (a) There is a Class 2 rectifying license.

9 (i) The annual license fee [is]:

10 **(1) SHALL BE DETERMINED BY THE COMMISSION; AND**

11 **(2) MAY NOT EXCEED \$600.**

12 2-205.

13 (a) There is a Class 3 winery license.

14 (d) The annual license fee [is]:

15 **(1) SHALL BE DETERMINED BY THE COMMISSION; AND**

16 **(2) MAY NOT EXCEED \$750.**

17 2-206.

18 (a) There is a Class 4 limited winery license.

19 (b) (1) A license holder may:

20 (i) subject to paragraph (2) of this subsection, from available
21 Maryland agricultural products:

22 1. ferment and bottle wine; and

23 2. distill and bottle pomace brandy; and

24 (ii) sell and deliver the wine and pomace brandy to:

- 1 1. a holder of a wholesaler's license;
- 2 2. a holder of a permit that is authorized to acquire wine or
3 pomace brandy; [or]
- 4 3. a person outside the State that is authorized to acquire
5 wine or pomace brandy; **OR**
- 6 4. **AN INDIVIDUAL IN ACCORDANCE WITH § 2-219 OF**
7 **THIS SUBTITLE.**

8 (h) The annual license fee [is]:

9 **(1) SHALL BE DETERMINED BY THE COMMISSION; AND**

10 **(2) MAY NOT EXCEED \$200.**

11 2-207.

12 (b) There is a Class 5 brewery license.

13 (c) A license holder may:

14 (4) sell and deliver beer to:

15 (i) a holder of a wholesaler's license that is authorized to acquire
16 beer; [or]

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

18 **OR**

19 **(III) AN INDIVIDUAL IN ACCORDANCE WITH § 2-219 OF THIS**
20 **SUBTITLE;**

21 (d) An individual may purchase beer under subsection (c)(6) of this section if the
22 individual[:

23 (1) purchases not more than 288 ounces of beer per visit; and

24 (2)] has attained the legal drinking age.

25 (e) The annual license fee [is]:

26 **(1) SHALL BE DETERMINED BY THE COMMISSION; AND**

1 **(2) MAY NOT EXCEED \$1,500.**

2 (g) **[(1) The Comptroller may issue a brewery promotional event permit to a**
3 holder of a Class 5 brewery license.

4 (2) Subject to subsection (i) of this section, the permit authorizes the holder
5 to conduct on the premises of the brewery a promotional event at which the holder may,
6 with respect to individuals who have attained the legal drinking age:

7 (i) provide samples consisting of a total of not more than 18 fluid
8 ounces to a consumer; and

9 (ii) sell beer to individuals who participate in the event.

10 (3) Subject to subsection (i) of this section, the beer at the event shall be
11 sold by the glass for on-premises consumption only.

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

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

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

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

18 (h)] (1) This subsection does not apply to:

19 (i) the holder of a Class 5 brewery license that held an on-site
20 consumption permit and a Class D license or an equivalent license on or before April 1,
21 2017, and any transferee of those licenses;

22 (ii) an individual who held a minority interest in an on-site
23 consumption permit and a Class D license or an equivalent license on or before April 1,
24 2017, and then obtains by transfer a majority interest in the same license or permit;

25 (iii) a location in the State for which a completed brewer's notice form
26 was filed with the U. S. Department of Treasury on or before April 1, 2017;

27 (iv) a [promotional event conducted under subsection (g) of this
28 section] **PERMIT ISSUED UNDER § 2-140 OF THIS TITLE**; and

29 (v) a guided tour during which:

30 1. samples of beer are served under subsection (c)(5) of this
31 section; or

1 organized activity at the licensed premises authorized under subsection (c) of this section
2 may be conducted.

3 ~~[(k)]~~ **(J)** (1) On or before October 1 each year, the **[Comptroller]**
4 **COMMISSION** shall report to the Senate Education, Health, and Environmental Affairs
5 Committee and the House Economic Matters Committee, in accordance with § 2–1257 of
6 the State Government Article, on the following, identified by jurisdiction and Class 5 license
7 holder:

8 (i) the total beer production of the license holder in the preceding
9 fiscal year; and

10 (ii) the total sales of the license holder for on–site consumption
11 under an on–site consumption permit, a Class D beer license, or an equivalent license in
12 the preceding fiscal year.

13 (2) Each holder of a Class 5 license shall report to the **[Comptroller]**
14 **COMMISSION** the information needed to prepare the annual report under this subsection.

15 (3) The **[Comptroller]** **COMMISSION** shall include the information
16 reported under this subsection in the annual report submitted under § 1–316 of this article.
17 2–209.

18 (a) There is a Class 7 micro–brewery license.

19 (c) A license holder may:

20 (4) store the finished product under an individual storage permit or at a
21 licensed public storage facility for subsequent sale and delivery:

22 (i) to a holder of a wholesaler’s license;

23 (ii) to an authorized person outside the State; **[or]**

24 (iii) for shipment back to the micro–brewery location for sale on the
25 retail premises; **OR**

26 **(IV) TO AN INDIVIDUAL IN ACCORDANCE WITH § 2–219 OF THIS**
27 **SUBTITLE;**

28 (f) (2) A license holder may sell and deliver beer brewed under the license to:

29 (i) a holder of a wholesaler’s license; **[or]**

30 (ii) a person outside the State that is authorized to acquire beer; **OR**

1 (III) AN INDIVIDUAL IN ACCORDANCE WITH § 2-219 OF THIS
2 SUBTITLE.

3 (i) The annual license fee [is]:

4 (1) SHALL BE DETERMINED BY THE COMMISSION; AND

5 (2) MAY NOT EXCEED \$500.

6 2-210.

7 (a) There is a Class 8 farm brewery license.

8 (b) (1) Subject to paragraph (2) of this subsection, a license holder may sell
9 and deliver beer manufactured in a facility on the licensed farm or in a facility other than
10 one on the licensed farm to:

11 (i) a wholesaler licensed to sell and deliver beer in the State; [or]

12 (ii) a person in another state authorized to acquire beer; OR

13 (III) AN INDIVIDUAL AS AUTHORIZED UNDER § 2-219 OF THIS
14 SUBTITLE.

15 (c) A license holder may:

16 (1) (i) sell beer produced by the license holder for on-premises AND
17 OFF-PREMISES consumption;

18 (f) (1) THIS SUBSECTION DOES NOT APPLY TO A PERMIT ISSUED UNDER
19 § 2-140 OF THIS TITLE.

20 (2) [Subject to subsections (i) and (j) of this section, a] A license holder at
21 the location listed on the license may exercise the privileges of the license each day from 10
22 a.m. to 10 p.m.

23 (i) (1) A license holder may sponsor a multibrewery activity at the location
24 issued on the license that:

25 (i) includes the products of other Maryland breweries; and

26 (ii) provides for the sale of [beer by the glass for on-premises
27 consumption only] PRODUCTS IN THE MANNER AUTHORIZED UNDER THE LICENSE.

1 (2) In a segregated area approved by the [Comptroller] **COMMISSION** at
2 the location listed on the license, a license holder may store the products of other Maryland
3 breweries for the multibrewery activity.

4 (3) The multibrewery activity:

5 (i) may be held from 10 a.m. to 10 p.m. each day; and

6 (ii) may not exceed 3 consecutive days.

7 **[(j)]** (1) The Comptroller may issue a brewery promotional event permit to a
8 license holder.

9 (2) At least 15 days before holding a planned promotional event, the license
10 holder shall obtain a permit from the Comptroller by filing a notice of the promotional event
11 on the form that the Comptroller provides.

12 (3) The permit authorizes the license holder to conduct at the location
13 listed on the license a promotional event at which the license holder may:

14 (i) provide samples of not more than 6 fluid ounces per brand to
15 consumers; and

16 (ii) sell beer produced by the license holder to persons who
17 participate in the event.

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

20 (5) The license holder may not be issued more than 12 permits in a
21 calendar year.

22 (6) A single promotional event:

23 (i) may be held from 10 a.m. to 10 p.m. each day; and

24 (ii) may not exceed 3 consecutive days.

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

26 **[(k)] (J)** The annual license fee **[is]:**

27 **(1) SHALL BE DETERMINED BY THE COMMISSION; AND**

28 **(2) MAY NOT EXCEED \$200.**

1 **(3) CLASS 6 PUB-BREWERY LICENSE.**

2 **(B) A HOLDER OF A MANUFACTURER'S LICENSE MAY SELL AND DELIVER A**
3 **PRODUCT PRODUCED UNDER THE HOLDER'S LICENSE TO AN INDIVIDUAL LOCATED**
4 **IN THE STATE IF:**

5 **(1) THE DELIVERY IS MADE BY AN EMPLOYEE WHO IS AT LEAST 18**
6 **YEARS OLD;**

7 **(2) THE PURCHASER, OR ANOTHER INDIVIDUAL AT LEAST 21 YEARS**
8 **OLD DESIGNATED BY THE PURCHASER, IS PHYSICALLY PRESENT TO RECEIVE THE**
9 **ALCOHOLIC BEVERAGES AT THE TIME AND PLACE OF DELIVERY;**

10 **(3) THE PURCHASER PAYS FOR THE PURCHASE AT THE TIME OF THE**
11 **ORDER; AND**

12 **(4) THE DELIVERER AND THE INDIVIDUAL RECEIVING THE DELIVERY**
13 **EACH ENDORSE A DELIVERY FORM THAT THE COMMISSION APPROVES AT THE TIME**
14 **OF DELIVERY CERTIFYING THAT:**

15 **(I) THE INDIVIDUAL RECEIVING THE DELIVERY CLAIMED TO BE**
16 **AT LEAST 21 YEARS OLD AND THE CLAIM WAS SUPPORTED BY DOCUMENTARY**
17 **EVIDENCE;**

18 **(II) THE INDIVIDUAL RECEIVING THE DELIVERY KNEW THAT IT**
19 **IS A CRIMINAL OFFENSE FOR ALCOHOLIC BEVERAGES TO BE GIVEN TO AN**
20 **INDIVIDUAL UNDER THE AGE OF 21 YEARS; AND**

21 **(III) THE DELIVERER EXAMINED THE RECIPIENT'S**
22 **IDENTIFICATION.**

23 **(C) A HOLDER OF A MANUFACTURER'S LICENSE MAY DIRECTLY SHIP**
24 **ALCOHOL TO A CONSUMER ON REQUEST, IF THE COMMISSION AUTHORIZES THE**
25 **DIRECT SHIPMENT AFTER DETERMINING THAT:**

26 **(1) THE SHIPMENT CAN BE COMPLETED SAFELY USING A COMMON**
27 **CARRIER IN ACCORDANCE WITH OTHER APPLICABLE LAWS; AND**

28 **(2) ALL APPLICABLE SALES AND EXCISE TAXES ARE PAID.**

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency
30 measure, is necessary for the immediate preservation of the public health or safety, has
31 been passed by a ye and nay vote supported by three-fifths of all the members elected to

1 each of the two Houses of the General Assembly, and shall take effect from the date it is
2 enacted.