

HOUSE BILL 1334

A2

11r3094
CF SB 905

By: **Delegates McDermott and Conway**
Introduced and read first time: March 7, 2011
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Worcester County – Berlin – Alcoholic Beverages – Micro–Brewery License**

3 FOR the purpose of allowing a holder of a Class D beer license in the Town of Berlin in
4 Worcester County to be issued a Class 7 micro–brewery license by the
5 Comptroller under certain circumstances; specifying the hours for certain
6 consumer sales; making a stylistic change; and generally relating to
7 micro–breweries in Worcester County.

8 BY repealing and reenacting, with amendments,
9 Article 2B – Alcoholic Beverages
10 Section 2–208
11 Annotated Code of Maryland
12 (2005 Replacement Volume and 2010 Supplement)

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

15 **Article 2B – Alcoholic Beverages**

16 2–208.

17 (a) There is a Class 7 micro–brewery (on– and off–sale) license.

18 (b) The license shall be issued:

19 (1) By the State Comptroller;

20 (2) Only in the following jurisdictions:

21 (i) Allegany County;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



- 1 (ii) Baltimore City;
- 2 (iii) Baltimore County;
- 3 (iv) The City of Annapolis;
- 4 (v) Anne Arundel County;
- 5 (vi) Calvert County;
- 6 (vii) Carroll County;
- 7 (viii) Charles County;
- 8 (ix) Dorchester County;
- 9 (x) Frederick County;
- 10 (xi) Garrett County;
- 11 (xii) Harford County;
- 12 (xiii) Howard County;
- 13 (xiv) Montgomery County;
- 14 (xv) Prince George's County;
- 15 (xvi) Talbot County;
- 16 (xvii) Wicomico County; and
- 17 (xviii) Worcester County;

18 (3) (i) Only to a holder of a Class B beer, wine and liquor (on-sale)
19 license that is issued for use on the premises of a restaurant located in a jurisdiction
20 listed in paragraph (2) of this subsection; [or]

21 **(II) TO A HOLDER OF A CLASS D BEER (OFF-SALE) LICENSE**
22 **THAT IS ISSUED FOR USE ON THE PREMISES OF THE EXISTING CLASS D LICENSE**
23 **IF THE PREMISES ARE LOCATED IN THE TOWN OF BERLIN IN WORCESTER**
24 **COUNTY; OR**

25 [(ii)] **(III)** To a holder of a Class D alcoholic beverages license
26 that is issued for use on the premises of the existing Class D license if the premises
27 are located in the 22nd Alcoholic Beverages District of Prince George's County; and

1 (4) In addition to item (3) of this subsection, in Montgomery County
2 only to a holder of a Class H beer and light wine license that is issued for use on the
3 premises of a restaurant located in the County.

4 (c) (1) A holder of a Class 7 micro–brewery license:

5 (i) May brew and bottle malt beverages at the license location;

6 (ii) May obtain a Class 2 rectifying license for a premises
7 located within 1 mile of the existing Class 7 micro–brewery location to bottle malt
8 beverages brewed at the micro–brewery location only;

9 (iii) May contract with the holder of a Class 5 brewery license, a
10 Class 7 micro–brewery license, or a Class 2 rectifying license held under § 2–203 of
11 this subtitle or the holder of a nonresident dealer’s permit to brew and bottle malt
12 beverages on their behalf;

13 (iv) May store the finished product under an individual storage
14 permit or at a licensed public storage facility for subsequent sale and delivery to a
15 licensed wholesaler, an authorized person outside this State, and for shipment back to
16 the micro–brewery location for sale on the retail premises;

17 (v) May not collectively brew, bottle, or contract for more than
18 22,500 barrels of malt beverages each calendar year; and

19 (vi) May enter into a temporary delivery agreement with a
20 distributor only for delivery of beer to a beer festival or wine and beer festival and the
21 return of any unused beer if:

22 1. The beer festival or wine and beer festival is in a sales
23 territory for which the holder does not have a franchise with a distributor under the
24 Beer Franchise Fair Dealing Act; and

25 2. The temporary delivery agreement is in writing.

26 (2) A Class 7 licensee who wishes to produce more than the barrelage
27 authorized under paragraph (1)(v) of this subsection shall divest of any Class B, D, or
28 any other retail license and obtain a Class 5 manufacturer’s license.

29 (3) For the purposes of determining the barrelage limitation under
30 paragraph (1)(v) of this subsection, any salable beer produced under contractual
31 arrangements accrues only to the Class 7 micro–brewery licensee who is the brand
32 owner.

33 (4) In Allegany County only, the holder of a Class 7 license:

34 (i) May brew in one location and may contract for the bottling
35 of the malt beverage in another location; and

- 1 15. Prince George's County;
- 2 16. Talbot County;
- 3 17. Wicomico County; and
- 4 18. Worcester County.

5 (ii) The holder may sell at retail beer brewed under this license
6 to customers for consumption off the licensed premises in refillable containers that are
7 sealed by the micro-brewery licensee at the time of each refill.

8 (e) A holder of a Class 7 micro-brewery license:

9 (1) May not own, operate or be affiliated with any other manufacturer
10 of beer except for a Class 2 rectifying license authorized by subsection (c)(1)(ii) of this
11 section; and

12 (2) Notwithstanding § 2-201(b) of this subtitle, may not be granted a
13 wholesale alcoholic beverages license.

14 (f) (1) **[The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
15 **SUBSECTION, THE** hours and days for consumer sales under **[this] A CLASS 7**
16 **MICRO-BREWERY** license are as established for **[a]:**

17 **(I) A Class B license in the respective jurisdictions listed in**
18 **subsection (b)(2) of this section, FOR A HOLDER OF A CLASS B BEER, WINE AND**
19 **LIQUOR LICENSE; OR**

20 **(II) A CLASS D BEER LICENSE IN WORCESTER COUNTY,**
21 **FOR A HOLDER OF A CLASS D BEER LICENSE IN THE TOWN OF BERLIN IN**
22 **WORCESTER COUNTY.**

23 (2) For Class D licensees in the 22nd Alcoholic Beverages District in
24 Prince George's County only, the hours and days for consumer sales under this license
25 are as established for a Class D license in Prince George's County.

26 (g) In Montgomery County, a holder of a Class 7 micro-brewery license shall
27 enter into a written agreement with the Department of Liquor Control for
28 Montgomery County for the sale and resale of malt beverages brewed under this
29 license in accordance with this article.

30 (h) For Talbot County, the Office of the Comptroller of Maryland shall
31 specify which local license is the equivalent of the Class B beer, wine and liquor
32 license specified in subsection (b)(3) of this section.

1 (i) In Carroll County, the distance restriction requirement for
2 micro-breweries is found in § 9-207 of this article.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 2011.