

# HOUSE BILL 216

A2

(3lr1411)

## *ENROLLED BILL*

— *Economic Matters/Education, Health, and Environmental Affairs* —

Introduced by **Delegates Hershey, Jacobs, and Smigiel**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Queen Anne's County *and St. Mary's County* – Alcoholic Beverages –**  
3 **Micro-Brewery Licenses**

4 FOR the purpose of adding Queen Anne's County *and St. Mary's County* to the list of  
5 counties in which a Class 7 micro-brewery license may be issued; adding Queen  
6 Anne's County *and St. Mary's County* to the list of counties in which the beer  
7 brewed by the license holder for consumption off the licensed premises may be  
8 sold in refillable containers; and generally relating to alcoholic beverages in  
9 Queen Anne's County *and St. Mary's County*.

10 BY repealing and reenacting, with amendments,  
11 Article 2B – Alcoholic Beverages  
12 Section 2–208  
13 Annotated Code of Maryland  
14 (2011 Replacement Volume and 2012 Supplement)

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics* indicate opposite chamber/conference committee amendments.



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

3 **Article 2B – Alcoholic Beverages**

4 2–208.

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

6 (b) The license shall be issued:

7 (1) By the State Comptroller;

8 (2) Only in the following jurisdictions:

9 (i) Allegany County;

10 (ii) Baltimore City;

11 (iii) Baltimore County;

12 (iv) The City of Annapolis;

13 (v) Anne Arundel County;

14 (vi) Calvert County;

15 (vii) Carroll County;

16 (viii) Charles County;

17 (ix) Dorchester County;

18 (x) Frederick County;

19 (xi) Garrett County;

20 (xii) Harford County;

21 (xiii) Howard County;

22 (xiv) Kent County;

23 (xv) Montgomery County;

24 (xvi) Prince George’s County;

1 (xvii) **QUEEN ANNE'S COUNTY;**

2 **(XVIII) ST. MARY'S COUNTY;**

3 ~~**(XVIII)**~~ **(XIX)** Talbot County;

4 [(xviii)] ~~**(XIX)**~~ **(XX)** Washington County;

5 [(xix)] ~~**(XX)**~~ **(XXI)** Wicomico County; and

6 [(xx)] ~~**(XXI)**~~ **(XXII)** Worcester County;

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

10 (ii) To a holder of a Class D beer (off-sale) license that is issued  
11 for use on the premises of the existing Class D license if the premises are located in  
12 Kent County or the Town of Berlin in Worcester County; or

13 (iii) To a holder of a Class D alcoholic beverages license that is  
14 issued for use on the premises of the existing Class D license if the premises are  
15 located in:

16 1. The 22nd Alcoholic Beverages District of Prince  
17 George's County; or

18 2. Washington County; and

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

22 (c) (1) A holder of a Class 7 micro-brewery license:

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

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

27 (iii) May contract with the holder of a Class 5 brewery license, a  
28 Class 7 micro-brewery license, or a Class 2 rectifying license held under § 2-203 of  
29 this subtitle or the holder of a nonresident dealer's permit to brew and bottle malt  
30 beverages on their behalf;

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

5 (v) May not collectively brew, bottle, or contract for more than  
6 22,500 barrels of malt beverages each calendar year; and

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

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

13 2. The temporary delivery agreement is in writing.

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

17 (3) For the purposes of determining the barrelage limitation under  
18 paragraph (1)(v) of this subsection, any salable beer produced under contractual  
19 arrangements accrues only to the Class 7 micro-brewery licensee who is the brand  
20 owner.

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

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

24 (ii) Need not meet the hotel/motel requirements for a Class B  
25 beer, wine and liquor licensee but shall meet the requirements for those Class B  
26 restaurants.

27 (d) (1) The on-sale privilege authorizes the holder, each calendar year, to  
28 sell at retail up to 4,000 barrels of beer brewed under this license to customers for  
29 consumption on the licensed premises.

30 (2) The off-sale privilege authorizes the holder to sell and deliver beer  
31 brewed under this license to:

32 (i) Any wholesaler licensed under this article to sell beer in this  
33 State; or

1 (ii) Any person who is located in a state other than Maryland  
2 who is authorized under the laws of that state to receive brewed beverages.

3 (3) (i) This paragraph applies only in:

- 4 1. Allegany County;
- 5 2. The City of Annapolis;
- 6 3. Anne Arundel County;
- 7 4. Baltimore City;
- 8 5. Baltimore County;
- 9 6. Calvert County;
- 10 7. Carroll County;
- 11 8. Charles County;
- 12 9. Dorchester County;
- 13 10. Frederick County;
- 14 11. Garrett County;
- 15 12. Harford County;
- 16 13. Howard County;
- 17 14. Kent County;
- 18 15. Montgomery County;
- 19 16. Prince George's County;
- 20 17. **QUEEN ANNE'S COUNTY;**
- 21 **18. ST. MARY'S COUNTY;**
- 22 ~~18.~~ **19.** Talbot County;
- 23 [18.] ~~19.~~ **20.** Washington County;
- 24 [19.] ~~20.~~ **21.** Wicomico County; and

1                                   [20.] ~~21.~~ 22. Worcester County.

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

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

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

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

11                   (f)     (1)     Except as provided in paragraph (2) of this subsection, the hours  
12 and days for consumer sales under a Class 7 micro-brewery license are as established  
13 for:

14                                   (i)     A Class B license in the respective jurisdictions listed in  
15 subsection (b)(2) of this section, for a holder of a Class B beer, wine and liquor license;

16                                   (ii)    A Class D beer license in Worcester County, for a holder of a  
17 Class D beer license in the Town of Berlin in Worcester County; or

18                                   (iii)   A Class D license in Kent County.

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

22                                   (3)     For Class D licensees in Washington County, the hours and days  
23 for consumer sales under this license are as established for a Class D license in  
24 Washington County.

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

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

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

1 (j) (1) This subsection applies only in Washington County.

2 (2) The Comptroller may not issue a Class 7 micro-brewery license for  
3 a premises on property that has been leased unless the landlord of the property  
4 presents to the Comptroller a receipt or certificate showing that there are no unpaid  
5 taxes due to the State, a county, or any local government from the landlord or any  
6 entity in which the landlord has a direct or indirect interest that:

7 (i) Is proprietary; or

8 (ii) Has been obtained by a loan, mortgage, or lien, or in any  
9 other manner.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11 July 1, 2013.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.