

# HOUSE BILL 230

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By: **Delegates Schulz, Afzali, Barkley, Clagett, Feldman, Hershey, Hogan, Hough, Jacobs, McDermott, W. Miller, Olszewski, Otto, Ready, and Smigiel**

Introduced and read first time: January 22, 2013

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Farm Breweries and Micro–Breweries**

3 FOR the purpose of adding the holder of a Class 7 micro–brewery license to the list of  
4 licensees with whom a holder of a Class 8 farm brewery license may contract to  
5 brew and bottle beer from ingredients produced on the licensed farm; making  
6 certain stylistic changes; and generally relating to holders of Class 8 farm  
7 brewery licenses.

8 BY repealing and reenacting, without amendments,  
9 Article 2B – Alcoholic Beverages  
10 Section 2–209(a)(1)  
11 Annotated Code of Maryland  
12 (2011 Replacement Volume and 2012 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article 2B – Alcoholic Beverages  
15 Section 2–208(c)(1) and 2–209(c)  
16 Annotated Code of Maryland  
17 (2011 Replacement Volume and 2012 Supplement)

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

20 **Article 2B – Alcoholic Beverages**

21 2–208.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (i) May brew and bottle malt beverages at the license location;
- 2 (ii) May obtain a Class 2 rectifying license for a premises  
3 located within 1 mile of the existing Class 7 micro–brewery location to bottle malt  
4 beverages brewed at the micro–brewery location only;
- 5 (iii) May contract with the holder of a **CLASS 2 RECTIFYING**  
6 **LICENSE HELD UNDER § 2–203 OF THIS SUBTITLE**, A Class 5 brewery license, a  
7 Class 7 micro–brewery license, or [a Class 2 rectifying license held under § 2–203 of  
8 this subtitle] **A CLASS 8 FARM BREWERY LICENSE**, or the holder of a nonresident  
9 dealer’s permit to brew and bottle malt beverages on their behalf;
- 10 (iv) May store the finished product under an individual storage  
11 permit or at a licensed public storage facility for subsequent sale and delivery to a  
12 licensed wholesaler, an authorized person outside this State, and for shipment back to  
13 the micro–brewery location for sale on the retail premises;
- 14 (v) May not collectively brew, bottle, or contract for more than  
15 22,500 barrels of malt beverages each calendar year; and
- 16 (vi) May enter into a temporary delivery agreement with a  
17 distributor only for delivery of beer to a beer festival or wine and beer festival and the  
18 return of any unused beer if:
- 19 1. The beer festival or wine and beer festival is in a sales  
20 territory for which the holder does not have a franchise with a distributor under the  
21 Beer Franchise Fair Dealing Act; and
- 22 2. The temporary delivery agreement is in writing.
- 23 2–209.
- 24 (a) (1) There is a Class 8 farm brewery license.
- 25 (c) A licensee may:
- 26 (1) Store on its licensed farm, in a segregated area approved by the  
27 Comptroller, beer produced at the licensed farm for sale and delivery to a wholesaler  
28 licensed in the State or a person outside of the State authorized to acquire the beer;
- 29 (2) Brew, bottle, or contract for not more than 15,000 barrels of beer  
30 each calendar year;
- 31 (3) Contract with the holder of a **CLASS 2 RECTIFYING LICENSE**, A  
32 Class 5 brewery license, [or a Class 2 rectifying license] **OR A CLASS 7**

1 **MICRO-BREWERY LICENSE** to brew and bottle beer from ingredients produced on the  
2 licensed farm;

3 (4) Import, export, and transport its beer in accordance with this  
4 section; and

5 (5) Store beer at a warehouse for which the licensee has been issued  
6 an individual storage permit, for sale and delivery to a wholesaler licensed in the State  
7 or a person outside of the State authorized to acquire the beer, or shipment back to the  
8 licensed farm, if:

9 (i) The licensee does not serve or sell beer at the warehouse;  
10 and

11 (ii) The Comptroller has full access at all times to the  
12 warehouse to enforce this article.

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