

# SENATE BILL 35

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(PRE-FILED)

3lr0828  
CF HB 216

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By: **Senator Pipkin**

Requested: November 15, 2012

Introduced and read first time: January 9, 2013

Assigned to: Education, Health, and Environmental Affairs

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 26, 2013

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## 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)

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

17 **Article 2B – Alcoholic Beverages**

18 2–208.

19 (a) There is a Class 7 micro-brewery (on- and off-sale) license.

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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.



- 1 (b) The license shall be issued:
- 2 (1) By the State Comptroller;
- 3 (2) Only in the following jurisdictions:
- 4 (i) Allegany County;
- 5 (ii) Baltimore City;
- 6 (iii) Baltimore County;
- 7 (iv) The City of Annapolis;
- 8 (v) Anne Arundel County;
- 9 (vi) Calvert County;
- 10 (vii) Carroll County;
- 11 (viii) Charles County;
- 12 (ix) Dorchester County;
- 13 (x) Frederick County;
- 14 (xi) Garrett County;
- 15 (xii) Harford County;
- 16 (xiii) Howard County;
- 17 (xiv) Kent County;
- 18 (xv) Montgomery County;
- 19 (xvi) Prince George's County;
- 20 (xvii) **QUEEN ANNE'S COUNTY;**
- 21 **(XVIII) ST. MARY'S COUNTY;**
- 22 ~~(XVIII)~~ **(XIX)** Talbot County;
- 23 **[(xviii)] ~~(XIX)~~ (XX)** Washington County;



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

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

7 2. The temporary delivery agreement is in writing.

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

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

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

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

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

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

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

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

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

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

31 1. Allegany County;

32 2. The City of Annapolis;

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

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

24                   (e) A holder of a Class 7 micro–brewery license:

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

4           (2)     Notwithstanding § 2–201(b) of this subtitle, may not be granted a  
5 wholesale alcoholic beverages license.

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

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

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

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

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

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

20           (g)     In Montgomery County, a holder of a Class 7 micro–brewery license shall  
21 enter into a written agreement with the Department of Liquor Control for  
22 Montgomery County for the sale and resale of malt beverages brewed under this  
23 license in accordance with this article.

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

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

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

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

- 1 (i) Is proprietary; or
- 2 (ii) Has been obtained by a loan, mortgage, or lien, or in any
- 3 other manner.

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

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.