

# SENATE BILL 458

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By: **Senators Pugh and Ferguson**

Introduced and read first time: January 27, 2014

Assigned to: Education, Health, and Environmental Affairs

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## A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City – Alcoholic Beverages – Micro–Brewery Licenses**

3 FOR the purpose of adding the 40th Alcoholic Beverages District of Baltimore City to  
4 the list of locations in which a holder of a certain Class D alcoholic beverages  
5 license may be issued a Class 7 micro–brewery license; authorizing the holder of  
6 a Class 7 micro–brewery license in Baltimore City to brew at certain locations  
7 using the same license and to obtain a Class 2 rectifying license for certain  
8 premises at certain locations; and generally relating to alcoholic beverages in  
9 Baltimore City.

10 BY repealing and reenacting, without amendments,  
11 Article 2B – Alcoholic Beverages  
12 Section 2–208(a)  
13 Annotated Code of Maryland  
14 (2011 Replacement Volume and 2013 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article 2B – Alcoholic Beverages  
17 Section 2–208(b) and (c)  
18 Annotated Code of Maryland  
19 (2011 Replacement Volume and 2013 Supplement)

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

22 **Article 2B – Alcoholic Beverages**

23 2–208.

24 (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.



- 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) Caroline County;
- 11 (viii) Carroll County;
- 12 (ix) Charles County;
- 13 (x) Dorchester County;
- 14 (xi) Frederick County;
- 15 (xii) Garrett County;
- 16 (xiii) Harford County;
- 17 (xiv) Howard County;
- 18 (xv) Kent County;
- 19 (xvi) Montgomery County;
- 20 (xvii) Prince George's County;
- 21 (xviii) Queen Anne's County;
- 22 (xix) St. Mary's County;
- 23 (xx) Talbot County;
- 24 (xxi) Washington County;

1 (xxii) Wicomico County; and

2 (xxiii) Worcester County;

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

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

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

12 1. The 22nd Alcoholic Beverages District of Prince  
13 George's County;

14 2. Washington County; [or]

15 3. Dorchester County; **OR**

16 4. **THE 40TH ALCOHOLIC BEVERAGES DISTRICT OF**  
17 **BALTIMORE CITY;** and

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

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

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

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

26 (iii) May contract with the holder of a Class 2 rectifying license  
27 held under § 2-203 of this subtitle, a Class 5 brewery license, a Class 7 micro-brewery  
28 license, or a Class 8 farm brewery license, or the holder of a nonresident dealer's  
29 permit to brew and bottle malt beverages on their behalf;

30 (iv) May store the finished product under an individual storage  
31 permit or at a licensed public storage facility for subsequent sale and delivery to a

1 licensed wholesaler, an authorized person outside this State, and for shipment back to  
2 the micro–brewery location for sale on the retail premises;

3 (v) May not collectively brew, bottle, or contract for more than  
4 22,500 barrels of malt beverages each calendar year; and

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

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

11 2. The temporary delivery agreement is in writing.

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

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

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

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

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

25 **(5) IN BALTIMORE CITY ONLY, THE HOLDER OF A CLASS 7**  
26 **LICENSE MAY:**

27 **(I) BREW IN TWO LOCATIONS USING THE SAME LICENSE;**  
28 **AND**

29 **(II) OBTAIN A CLASS 2 RECTIFYING LICENSE FOR THE**  
30 **PREMISES AT THE TWO LOCATIONS AUTHORIZED UNDER ITEM (I) OF THIS**  
31 **PARAGRAPH.**

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 July 1, 2014.

