

HOUSE BILL 337

A1, A2

4lr1109

By: **Delegates Schulz, Afzali, Arentz, Barkley, Barnes, Beitzel, Clagett, Cluster, Elliott, George, Hogan, Hough, Jacobs, Kach, Krebs, McComas, McDermott, Norman, Olszewski, Otto, Stocksdale, and Szeliga**

Introduced and read first time: January 22, 2014

Assigned to: Economic Matters

A BILL ENTITLED

AN ACT concerning

Farm Breweries – Location and Self-Distribution

FOR the purpose of authorizing the holder of a Class 8 farm brewery license to obtain a certain limited wholesaler's license for certain purposes; providing that a certain prohibition on location in certain areas of Frederick County does not apply to a Class 8 farm brewery license; and generally relating to beer and farm breweries.

BY repealing and reenacting, with amendments,
Article 2B – Alcoholic Beverages
Section 2–301(b) and 8–211(b)
Annotated Code of Maryland
(2011 Replacement Volume and 2013 Supplement)

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

Article 2B – Alcoholic Beverages

2–301.

(b) (1) Except as otherwise provided in this subsection, a wholesaler's license issued in accordance with the fee paid entitles the holder to acquire the alcoholic beverages indicated on the license from licensees and holders of nonresident dealer's permits and resident dealer's permits authorized by this State to make the sales and deliveries. The license authorizes the sale and delivery of those alcoholic beverages from the licensed premises to licensees and permit holders in Maryland and to persons outside of this State.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) A Class 6 limited wine wholesaler's license shall be issued only to a wine manufacturer that:

(i) Produces not more than 27,500 gallons of its own wine annually; and

(ii) Holds a Class 4 limited winery manufacturer's license issued under this article.

(3) A person who holds a Class 6 limited wine wholesaler's license, on approval of the application and payment of the fee:

(i) May sell and deliver its own brand of wine produced at the licensee's premises to a retail licensee or permit holder in the State authorized to acquire the wine; and

(ii) May not sell its wine to a licensed wholesaler.

(4) A Class 7 limited beer wholesaler's license shall be issued only to a person that:

(i) Produces in aggregate from all its locations not more than 22,500 barrels of beer annually; and

(ii) Holds a Class 5 manufacturer's license [or], Class 7 micro-brewery license, **OR CLASS 8 FARM BREWERY LICENSE.**

(5) On approval of the application and payment of the fee, a holder of a Class 7 limited beer wholesaler's license may:

(i) Sell and deliver its own beer produced at the holder's premises to a retail license holder or permit holder in the State authorized to acquire the beer; and

(ii) Distribute not more than 3,000 barrels of its own beer annually.

(6) In Allegany County the holder of a Class 1 or Class 2 wholesaler's license may not sell liquor in any size container smaller than 23 ounces or 680 milliliters to any holder of a special permit issued under § 7-101(h) of this article.

(7) A wholesaler's license of the appropriate class authorizes the holder to directly import beer, wine, or distilled spirits from sources outside the continental limits and possessions of the United States. However, any wholesale licensee that imports for subsequent distribution in or outside the State of Maryland shall be:

- (i) The brand owner;
- (ii) A wholesale licensee that purchases directly from the brand owner or the authorized agent of the brand owner; or
- (iii) A wholesale licensee that purchases from the authorized United States importer.

(8) Paragraph (7) of this subsection only applies if the wholesale licensee's jurisdiction and authority to sell has been submitted to the Comptroller by the brand owner.

8-211.

(b) (1) THIS SUBSECTION DOES NOT APPLY TO A CLASS 8 FARM BREWERY LICENSE ISSUED UNDER § 2-209 OF THIS ARTICLE.

(2) A license for the sale of alcoholic beverages authorized by this article may not be issued for any place of business located in any of the following election districts:

- [(1)] (I)** Catoctin (6th);
- [(2)] (II)** Hauvers (10th);
- [(3)] (III)** Jackson (16th);
- [(4)] (IV)** Linganore (19th); and
- [(5)] (V)** Ballenger (23rd).

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