

HOUSE BILL 774

A1
HB 704/13 – ECM

4lr2883
CF SB 445

By: **Delegates Haddaway–Riccio, Conway, Eckardt, Jacobs, McDermott, Olszewski, Otto, and Stifler**

Introduced and read first time: February 3, 2014

Assigned to: Economic Matters

A BILL ENTITLED

AN ACT concerning

Alcoholic Beverages – Micro–Breweries – Annual Production Limit

FOR the purpose of raising the limit on the number of barrels of malt beverages that a micro–brewery may collectively brew, bottle, or contract for in a calendar year; and generally relating to micro–breweries.

BY repealing and reenacting, with amendments,
Article 2B – Alcoholic Beverages
Section 2–208(c)(1)
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

2–208.

- (c) (1) A holder of a Class 7 micro–brewery license:
- (i) May brew and bottle malt beverages at the license location;
 - (ii) May obtain a Class 2 rectifying license for a premises located within 1 mile of the existing Class 7 micro–brewery location to bottle malt beverages brewed at the micro–brewery location only;
 - (iii) May contract with the holder of a Class 2 rectifying license held under § 2–203 of this subtitle, a Class 5 brewery license, a Class 7 micro–brewery

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



license, or a Class 8 farm brewery license, or the holder of a nonresident dealer's permit to brew and bottle malt beverages on their behalf;

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

(v) May not collectively brew, bottle, or contract for more than ~~[22,500]~~ **60,000** barrels of malt beverages each calendar year; and

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

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

2. The temporary delivery agreement is in writing.

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