

HOUSE BILL 526

A1

5lr2167
CF SB 673

By: **Delegate Barkley**

Introduced and read first time: February 11, 2015

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 2015

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages – Brewing Company Off-Site Permit and Beer Festival**
3 **Permit**

4 FOR the purpose of requiring the Office of the Comptroller to collect a fee for a beer festival
5 permit; authorizing the Comptroller to issue a brewing company off-site permit to
6 certain persons who meet certain requirements; establishing that certain holders of
7 a brewing company off-site permit may use the permit for certain activities during
8 certain events; establishing a beer festival permit to be issued by the Comptroller;
9 authorizing the Comptroller to issue a beer festival permit to certain persons who
10 meet certain requirements, provided that the beer festival will occur over a certain
11 period of time; authorizing a beer festival permit holder to purchase beer at
12 wholesale to provide and sell beer for certain purposes under certain circumstances;
13 requiring a beer festival permit holder to provide space at the beer festival for holders
14 of brewing company off-site permits; authorizing a brewing company off-site permit
15 holder to provide and sell beer in the same manner as a beer festival permit holder
16 under certain circumstances; authorizing a beer festival permit holder to provide or
17 sell at the beer festival only certain alcoholic beverages; requiring a beer festival
18 permit holder to have certain agents present during a certain event; requiring an
19 applicant for a beer festival permit to submit a certain application form provided by
20 the Comptroller within a certain period of time before the proposed event and pay a
21 certain fee to obtain a permit; specifying the contents of an application for a beer
22 festival permit; requiring a beer festival permit holder to provide the Comptroller
23 with a list of brewing company off-site permit holders that will attend a certain beer
24 festival within a certain period of time before the event; defining a certain term;

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 making a technical change; and generally relating to the brewing company off-site
2 permits and beer festival permits.

3 BY repealing and reenacting, without amendments,
4 Article 2B – Alcoholic Beverages
5 Section 2–101(a)
6 Annotated Code of Maryland
7 (2011 Replacement Volume and 2014 Supplement)

8 BY repealing and reenacting, with amendments,
9 Article 2B – Alcoholic Beverages
10 Section 2–101(b) and 2–105
11 Annotated Code of Maryland
12 (2011 Replacement Volume and 2014 Supplement)

13 BY adding to
14 Article 2B – Alcoholic Beverages
15 Section 2–106
16 Annotated Code of Maryland
17 (2011 Replacement Volume and 2014 Supplement)

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

20 **Article 2B – Alcoholic Beverages**

21 2–101.

22 (a) The Office of the Comptroller shall provide application forms for the permits
23 listed in this section and applicants shall make application to the Office of the Comptroller.
24 The procedure in issuing permits, the purchase of alcoholic beverages, and the exercise of
25 the privileges granted under the various permits shall be subject to regulations
26 promulgated by the Office of the Comptroller. The Office of the Comptroller may cancel,
27 restrict, suspend, or revoke any permit.

28 (b) (1) (i) The Office of the Comptroller shall collect a fee for the issuance
29 or renewal of the following permits:

30 1. \$50 for a solicitor’s permit, an individual storage permit, a
31 nonresident winery permit, or a commercial nonbeverage permit;

32 2. \$75 for a public storage permit, a public transportation
33 permit, or an import and export permit;

34 3. \$200 for a public storage and transportation permit, a
35 nonresident dealer’s permit, a resident dealer’s permit, or a bulk transfer permit;

- 1 4. \$400 for a family beer and wine facility permit;
- 2 5. \$200 for issuance or renewal of a direct wine shipper's
3 permit;
- 4 6. \$100 for a common carrier permit;
- 5 7. \$100 for a winery off-site permit;
- 6 8. \$100 for a wine festival permit; [and]
- 7 9. \$100 for a brewing company off-site permit; AND
- 8 **10. \$100 FOR A BEER FESTIVAL PERMIT.**

9 (ii) The Office of the Comptroller shall issue a nonbeverage permit
10 without the payment of any fee for an eleemosynary or a fuel-alcohol permittee.

11 (2) (i) The permits issued pursuant to this section expire on October 31
12 following the date of their issue unless otherwise provided.

13 (ii) All nonbeverage permits do not expire until canceled or revoked.

14 (3) The fee for a change of domicile permit is \$5, and when issued shall
15 cover only a specific transaction.

16 (4) The fee for an individual transportation permit is \$10.

17 (5) A bulk transfer permit shall cover only a specific transaction and shall
18 expire 10 days from the date of its issue. If the time restriction of this permit would be an
19 undue burden, the Office of the Comptroller may grant a reasonable extension of time.

20 (6) (i) The Office of the Comptroller shall prescribe a means of
21 identification for each vehicle authorized under an individual transportation permit or a
22 transportation or public storage and transportation permit. The identification shall be kept
23 in or on the vehicle at all times when alcoholic beverages are being transported.

24 (ii) The fee for the identification is \$10 for each vehicle.

25 (7) The fee for a national family beer and wine exhibition permit is \$50.

26 (8) The fee for the nonresident storage permit is \$500.

27 (9) (i) The fee for an alcohol awareness program instructor's permit is
28 \$5.

29 (ii) The fee for an alcohol awareness program permit is \$15.

(10) The fee for a private bulk sale permit is \$25 and shall cover the sale of a specific inventory of alcoholic beverages. The permit shall expire 60 days from the date of issuance. An individual or entity may be issued not more than two private bulk sale permits in any calendar year.

2–105.

(a) IN THIS SECTION, “LIMITED PERMIT HOLDER” MEANS A PERSON WHO HOLDS A BREWING COMPANY OFF-SITE PERMIT AND ALSO HOLDS A MANUFACTURER’S LICENSE FOR:

(1) A CLASS 5 BREWERY THAT PRODUCES LESS THAN 3,000 BARRELS A YEAR;

(2) A CLASS 7 MICRO-BREWERY THAT PRODUCES LESS THAN 3,000 BARRELS A YEAR; OR

(3) A CLASS 8 FARM BREWERY.

(B) There is a brewing company off-site permit.

~~(C)~~ (C) The Office of the Comptroller may issue the permit to [a]:

(1) A CLASS 5 BREWERY THAT MEETS THE REQUIREMENTS OF THIS SECTION;

(2) A Class 7 micro-brewery that produces less than 3,000 barrels per year [or a]; OR

(3) A Class 8 farm brewery that meets the requirements of this section.

~~(D)~~ (D) During an event listed in subsection ~~(E)~~ (F) of this section, ~~the~~ A LIMITED permit holder may:

(1) Provide to a consumer a sample that has been produced by the LIMITED permit holder and that may not exceed 1 fluid ounce for each brand;

(2) Sell to a consumer up to 288 ounces of beer that has been produced by the LIMITED permit holder for off-premises consumption; and

(3) Except for farmers’ markets listed in subsection ~~(E)~~ (F) of this section, sell to a consumer up to 288 ounces of beer that is produced by the LIMITED permit holder for on- and off-premises consumption.

1 ~~(d)~~ **(E)** While selling beer or providing samples at a farmers' market as
 2 provided in subsection ~~(e)~~ **(F)** of this section, a **LIMITED** permit holder shall have an agent
 3 present who is certified by an approved alcohol awareness program.

4 ~~(e)~~ **(F)** ~~The~~ **EXCEPT AS OTHERWISE AUTHORIZED UNDER SUBSECTION (G)**
 5 **OF THIS SECTION, A LIMITED PERMIT HOLDER MAY USE THE** brewing company off-site
 6 permit ~~may be used~~ only:

7 (1) During the Montgomery County Agricultural Fair;

8 (2) During the Maryland State Agricultural Fair;

9 (3) During the Frederick County Agricultural Fair;

10 (4) One night each week from June through November at the North Beach
 11 Friday Night Farmers' Market;

12 (5) For up to seven events, at an event that has as its major purpose an
 13 activity:

14 (i) That is other than the sale and promotion of alcoholic beverages;
 15 and

16 (ii) For which the participation of a brewing company is a
 17 subordinate activity; **AND**

18 (6) At other farmers' markets that are listed on the Farmers' Market
 19 Directory of the Maryland Department of Agriculture; ~~and.~~

20 ~~(7)~~ **(G)** ~~At~~ **A PERSON THAT HOLDS A BREWING COMPANY**
 21 **OFF-SITE PERMIT MAY USE THE PERMIT AT** a beer festival that:

22 (i) Has as its primary purpose the promotion of Maryland beer; and

23 (ii) Is authorized by the Office of the Comptroller under [§ 22-103]
 24 **§ 2-106** of this subtitle.

25 ~~(8)~~ **(H)** The term of a brewing company off-site permit is 1 year.

26 ~~(9)~~ **(I)** An applicant shall:

27 (1) Submit to the Office of the Comptroller a completed application on a
 28 form that the Office of the Comptroller provides; and

29 (2) Pay a fee of \$100 for the brewing company off-site permit.

1 ~~(H)~~ **(J)** (1) No later than the 20th day of the month preceding the off-site
2 event, the permit holder shall notify the Office of the Comptroller of the permit holder's
3 intention to attend an off-site event.

4 (2) The notice shall be on a form that the Office of the Comptroller provides.

5 ~~(I)~~ **(K)** The Comptroller may adopt regulations to require the permit holder to
6 notify the board of license commissioners in the county where the event is being held of the
7 permit holder's intention to attend an off-site event.

8 **2-106.**

9 **(A) THERE IS A BEER FESTIVAL PERMIT.**

10 **(B) (1) AN APPLICANT FOR A BEER FESTIVAL PERMIT SHALL BE A**
11 **NONPROFIT ORGANIZATION, AS DEFINED BY § 501(C) OF THE INTERNAL REVENUE**
12 **CODE.**

13 **(2) THE OFFICE OF THE COMPTROLLER MAY ISSUE THE PERMIT TO A**
14 **NONPROFIT ORGANIZATION THAT MEETS THE REQUIREMENTS OF THIS SECTION.**

15 **(3) A PERMIT AUTHORIZES THE PERMIT HOLDER TO CONDUCT A**
16 **BEER FESTIVAL FOR AT LEAST 1 DAY AND NOT MORE THAN 3 CONSECUTIVE DAYS.**

17 **(C) (1) THE PERMIT HOLDER MAY PURCHASE BEER AT WHOLESALE TO:**

18 **(I) PROVIDE TO A CONSUMER A SAMPLE THAT MAY NOT**
19 **EXCEED 1 FLUID OUNCE FOR EACH BRAND; AND**

20 **(II) SELL TO A CONSUMER BEER FOR ON- AND OFF-PREMISES**
21 **CONSUMPTION.**

22 **(2) THE PERMIT HOLDER SHALL PROVIDE SPACE AT A BEER FESTIVAL**
23 **FOR HOLDERS OF BREWING COMPANY OFF-SITE PERMITS.**

24 **(3) A HOLDER OF A BREWING COMPANY OFF-SITE PERMIT THAT**
25 **ATTENDS A BEER FESTIVAL MAY PROVIDE BEER TO A CONSUMER IN THE SAME**
26 **MANNER AS THE HOLDER OF THE BEER FESTIVAL PERMIT.**

27 **(4) THE PERMIT HOLDER MAY PROVIDE OR SELL AT THE BEER**
28 **FESTIVAL ONLY ALCOHOLIC BEVERAGES PROVIDED BY THE PERMIT HOLDER OR A**
29 **HOLDER OF A BREWING COMPANY OFF-SITE PERMIT THAT IS IN ATTENDANCE.**

1 (D) AT ALL TIMES DURING THE BEER FESTIVAL, THE PERMIT HOLDER
2 SHALL HAVE PRESENT AT LEAST TWO AGENTS, ONE OF WHOM MAY BE THE PERMIT
3 HOLDER, WHO ARE CERTIFIED BY AN APPROVED ALCOHOL AWARENESS PROGRAM.

4 (E) AN APPLICANT FOR A BEER FESTIVAL PERMIT SHALL:

5 (1) NO LESS THAN 30 DAYS BEFORE THE PROPOSED EVENT, SUBMIT
6 TO THE OFFICE OF THE COMPTROLLER A COMPLETED APPLICATION ON A FORM
7 THAT THE OFFICE OF THE COMPTROLLER PROVIDES THAT:

8 (I) STATES THAT THE PRIMARY PURPOSE OF THE BEER
9 FESTIVAL IS TO PROMOTE MARYLAND BEER;

10 (II) PROVIDES DETAILS OF THE BEER FESTIVAL, INCLUDING
11 THE LOCATION, DATES, AND TIMES OF OPERATION; AND

12 (III) INCLUDES APPROPRIATE EVIDENCE THAT THE OWNER OF
13 THE PROPERTY IN WHICH THE BEER FESTIVAL MAY BE HELD HAS GIVEN
14 PERMISSION TO THE APPLICANT TO HAVE THE BEER FESTIVAL ON ITS PREMISES;
15 AND

16 (2) PAY A FEE OF \$100 FOR THE BEER FESTIVAL PERMIT.

17 (F) NO LESS THAN 15 DAYS BEFORE THE BEER FESTIVAL, THE PERMIT
18 HOLDER SHALL PROVIDE THE OFFICE OF THE COMPTROLLER WITH A LIST OF
19 BREWING COMPANY OFF-SITE PERMIT HOLDERS THAT WILL ATTEND.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
21 1, 2015.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.