

# SENATE BILL 812

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By: **Senator Reilly**

Introduced and read first time: February 20, 2015

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Anne Arundel County – Alcoholic Beverages – Craft Distillery License**

3 FOR the purpose of establishing a Class 9 craft distillery license in Anne Arundel County;  
4 setting a license fee; providing that the State Comptroller issue the Class 9 license  
5 only to a holder of a Class D beer, wine and liquor license in the county for use on  
6 the premises for which the Class D license was issued; authorizing a holder of a Class  
7 9 license to establish and operate a plant for distilling and bottling brandy, rum,  
8 whiskey, alcohol, and neutral spirits under certain circumstances; authorizing a  
9 holder of a Class 9 license to acquire bulk alcoholic beverages, to store, sell, and  
10 deliver product, to conduct guided tours, and to serve a certain number of samples  
11 to certain persons; prohibiting a holder of a Class 9 license from taking certain  
12 actions; requiring a holder of a Class 9 license to abide by all trade practice  
13 restrictions applicable to distilleries; requiring a holder of a Class 9 license to take  
14 certain actions to distill more than a certain amount of gallonage; and generally  
15 relating to Class 9 distillery licenses in Anne Arundel County.

16 BY repealing and reenacting, with amendments,  
17 Article 2B – Alcoholic Beverages  
18 Section 2–201(a)  
19 Annotated Code of Maryland  
20 (2011 Replacement Volume and 2014 Supplement)

21 BY adding to  
22 Article 2B – Alcoholic Beverages  
23 Section 2–202.1  
24 Annotated Code of Maryland  
25 (2011 Replacement Volume and 2014 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article 2B – Alcoholic Beverages

2–201.

(a) The annual fees for manufacturer’s licenses are as follows:

|                |                              |            |
|----------------|------------------------------|------------|
| Class 1        | Distillery.....              | \$ 2,000   |
| Class 2        | Rectifying .....             | 600        |
| Class 3        | Winery .....                 | 750        |
| Class 4        | Limited Winery .....         | 200        |
| Class 5        | Brewery .....                | 1,500      |
| Class 6        | Pub–Brewery.....             | 500        |
| Class 7        | Micro–Brewery.....           | 500        |
| Class 8        | Farm Brewery .....           | 200        |
| <b>CLASS 9</b> | <b>CRAFT DISTILLERY.....</b> | <b>500</b> |

2–202.1.

(A) THERE IS A CLASS 9 CRAFT DISTILLERY LICENSE.

(B) THE LICENSE SHALL BE ISSUED:

(1) BY THE STATE COMPTROLLER; AND

(2) ONLY TO A HOLDER OF A CLASS D BEER, WINE AND LIQUOR LICENSE IN ANNE ARUNDEL COUNTY FOR USE ON THE PREMISES FOR WHICH THE CLASS D LICENSE WAS ISSUED.

(C) (1) A HOLDER OF A CLASS 9 CRAFT DISTILLERY LICENSE:

(I) MAY ESTABLISH AND OPERATE A PLANT IN THIS STATE FOR DISTILLING AND BOTTLING BRANDY, RUM, WHISKEY, ALCOHOL, AND NEUTRAL SPIRITS IF THE HOLDER:

1. MAINTAINS ONLY ONE BRAND AT ANY ONE TIME FOR EACH PRODUCT OF BRANDY, RUM, WHISKEY, ALCOHOL, AND NEUTRAL SPIRITS THAT IS DISTILLED AND SOLD; AND

2. DOES NOT MANUFACTURE PRODUCT OF ANY OTHER BRAND FOR ANOTHER ENTITY;

(II) MAY ACQUIRE BULK ALCOHOLIC BEVERAGES FROM THE HOLDER OF A DISTILLERY OR RECTIFYING LICENSE IN THIS STATE OR FROM THE HOLDER OF A NONRESIDENT DEALER’S PERMIT;

1 (III) AFTER ACQUIRING AN INDIVIDUAL STORAGE PERMIT, MAY  
2 STORE ON THE LICENSED PREMISES THOSE PRODUCTS MANUFACTURED UNDER THE  
3 CLASS 9 CRAFT DISTILLERY LICENSE;

4 (IV) MAY SELL AND DELIVER THOSE PRODUCTS  
5 MANUFACTURED UNDER THE CLASS 9 CRAFT DISTILLERY LICENSE ONLY TO A  
6 LICENSED WHOLESALER IN THIS STATE OR PERSON AUTHORIZED TO ACQUIRE  
7 DISTILLED SPIRITS IN ANOTHER STATE AND NOT TO A COUNTY DISPENSARY;

8 (V) MAY SELL THE PRODUCTS MANUFACTURED UNDER THE  
9 CLASS 9 CRAFT DISTILLERY LICENSE AT RETAIL IN A MANNER CONSISTENT WITH  
10 THE UNDERLYING CLASS D LICENSE;

11 (VI) MAY CONDUCT GUIDED TOURS OF THAT PORTION OF THE  
12 LICENSED PREMISES USED FOR THE CRAFT DISTILLERY OPERATION; AND

13 (VII) MAY SERVE NOT MORE THAN THREE SAMPLES OF  
14 PRODUCTS MANUFACTURED AT THE LICENSED PREMISES, WITH EACH SAMPLE  
15 CONSISTING OF NOT MORE THAN ONE-HALF OUNCE FROM A SINGLE PRODUCT, TO  
16 PERSONS WHO:

17 1. HAVE ATTAINED THE LEGAL DRINKING AGE;

18 2. PARTICIPATED IN A GUIDED TOUR; AND

19 3. ARE PRESENT ON THAT PORTION OF THE PREMISES  
20 USED FOR THE CRAFT DISTILLERY OPERATION.

21 (2) A HOLDER OF A CLASS 9 CRAFT DISTILLERY LICENSE MAY NOT:

22 (I) APPLY FOR OR POSSESS A MARYLAND WHOLESALER'S  
23 LICENSE;

24 (II) SELL BOTTLES OF THE PRODUCTS MANUFACTURED AT THE  
25 CLASS 9 CRAFT DISTILLERY ON THAT PART OF THE PREMISES USED FOR THE  
26 DISTILLERY OPERATION;

27 (III) DISTILL MORE THAN 100,000 GALLONS OF BRANDY, RUM,  
28 WHISKEY, ALCOHOL, AND NEUTRAL SPIRITS EACH CALENDAR YEAR;

29 (IV) SELL AT RETAIL ON THE PREMISES OF THE CLASS D  
30 LICENSE, FOR ON- OR OFF-SALE CONSUMPTION, MORE THAN 15,500 GALLONS OF

1 THE PRODUCTS MANUFACTURED UNDER THE CLASS 9 CRAFT DISTILLERY LICENSE  
2 EACH CALENDAR YEAR; AND

3 (V) OWN, OPERATE, OR BE AFFILIATED IN ANY MANNER WITH  
4 ANOTHER MANUFACTURER.

5 (3) A HOLDER OF A CLASS 9 CRAFT DISTILLERY LICENSE SHALL  
6 ABIDE BY ALL TRADE PRACTICE RESTRICTIONS APPLICABLE TO DISTILLERIES.

7 (D) TO DISTILL MORE THAN THE GALLONAGE SPECIFIED IN SUBSECTION  
8 (C)(2)(III) OF THIS SECTION, A HOLDER OF A CLASS 9 CRAFT DISTILLERY LICENSE  
9 SHALL DIVEST ITSELF OF ANY CLASS D RETAIL LICENSE AND OBTAIN A CLASS 1  
10 MANUFACTURER'S LICENSE.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
12 1, 2015.