

Chapter 449

(House Bill 689)

AN ACT concerning

**Worcester County – Alcoholic Beverages – ~~Craft~~ Limited Distillery License**

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

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

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

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

**Article 2B – Alcoholic Beverages**

2–201.

(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><del>CRAFT</del> <u>LIMITED DISTILLERY</u></b> .....	<b>500</b>

**2–202.1.**

(A) **THERE IS A CLASS 9 ~~CRAFT~~ LIMITED 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 WORCESTER COUNTY FOR USE ON THE PREMISES FOR WHICH THE CLASS D LICENSE WAS ISSUED.**

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

(i) **MAY ESTABLISH AND OPERATE A PLANT IN THIS STATE FOR DISTILLING, RECTIFYING, 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, RECTIFIED, AND SOLD; AND**

2. **DOES NOT MANUFACTURE OR RECTIFY 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;**

(iii) **AFTER ACQUIRING AN INDIVIDUAL STORAGE PERMIT, MAY STORE ON THE LICENSED PREMISES THOSE PRODUCTS MANUFACTURED UNDER THE CLASS 9 ~~CRAFT~~ LIMITED DISTILLERY LICENSE;**

(iv) **MAY SELL AND DELIVER THOSE PRODUCTS MANUFACTURED UNDER THE CLASS 9 ~~CRAFT~~ LIMITED DISTILLERY LICENSE ONLY TO A LICENSED WHOLESALER IN THIS STATE OR PERSON AUTHORIZED TO ACQUIRE DISTILLED SPIRITS IN ANOTHER STATE AND NOT TO A COUNTY DISPENSARY;**

(v) MAY SELL THE PRODUCTS MANUFACTURED UNDER THE CLASS 9 ~~CRAFT~~ LIMITED DISTILLERY LICENSE AT RETAIL IN A MANNER CONSISTENT WITH THE UNDERLYING CLASS D LICENSE;

(vi) MAY CONDUCT GUIDED TOURS OF THAT PORTION OF THE LICENSED PREMISES USED FOR THE ~~CRAFT~~ LIMITED DISTILLERY OPERATION; AND

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

1. HAVE ATTAINED THE LEGAL DRINKING AGE;
2. PARTICIPATED IN A GUIDED TOUR; AND
3. ARE PRESENT ON THAT PORTION OF THE PREMISES USED FOR THE ~~CRAFT~~ LIMITED DISTILLERY OPERATION.

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

(i) APPLY FOR OR POSSESS A MARYLAND WHOLESALER'S LICENSE;

(ii) SELL BOTTLES OF THE PRODUCTS MANUFACTURED AT THE CLASS 9 ~~CRAFT~~ LIMITED DISTILLERY ON THAT PART OF THE PREMISES USED FOR THE DISTILLERY OPERATION;

(iii) DISTILL, RECTIFY, BOTTLE, OR SELL MORE THAN 100,000 GALLONS OF BRANDY, RUM, WHISKEY, ALCOHOL, AND NEUTRAL SPIRITS EACH CALENDAR YEAR;

(iv) SELL AT RETAIL ON THE PREMISES OF THE CLASS D LICENSE, FOR ON- OR OFF-SALE CONSUMPTION, MORE THAN 15,500 GALLONS OF THE PRODUCTS MANUFACTURED UNDER THE CLASS 9 ~~CRAFT~~ LIMITED DISTILLERY LICENSE EACH CALENDAR YEAR; AND

(v) OWN, OPERATE, OR BE AFFILIATED IN ANY MANNER WITH ANOTHER MANUFACTURER.

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

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

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

**Approved by the Governor, May 12, 2015.**