

# HOUSE BILL 1071

A2

6lr2933  
CF SB 958

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By: **Cecil County Delegation**

Introduced and read first time: February 11, 2016

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Cecil County – Alcoholic Beverages – Class 9 Limited Distillery Licenses and**  
3 **Class 7 Micro–Brewery Licenses**

4 FOR the purpose of authorizing a Class 9 limited distillery license and a Class 7  
5 micro–brewery license to be issued in Cecil County; authorizing a Class 9 limited  
6 distillery license to be issued to a holder of a Class B beer, wine, and liquor license  
7 as well as a Class D beer, wine, and liquor license under certain circumstances;  
8 providing that a certain Class 9 limited distillery license holder who is also a Class  
9 B beer, wine, and liquor license holder may sell certain products in a certain manner  
10 and may not sell at retail more than a certain number of gallons on a certain  
11 premises each year; requiring a Class 9 limited distillery license holder who is also  
12 a Class B beer, wine, and liquor license holder to divest itself of a certain license and  
13 obtain a certain license if the license holder distills more than a certain number of  
14 gallons of product each year; authorizing a Class 7 micro–brewery license to be  
15 issued to a holder of a Class B beer, wine, and liquor license or a Class D beer, wine,  
16 and liquor license under certain circumstances; establishing that for a holder of a  
17 Class D beer, wine, and liquor license who also holds a Class 7 micro–brewery  
18 license, the hours and days of sale for the Class 7 micro–brewery license are those  
19 established for a Class D beer, wine, and liquor license; and generally relating to the  
20 issuance of Class 9 limited distillery licenses and Class 7 micro–brewery licenses in  
21 Cecil County.

22 BY repealing and reenacting, without amendments,

23 Article – Alcoholic Beverages

24 Section 17–102

25 Annotated Code of Maryland

26 (As enacted by Chapter \_\_\_\_ (S.B. \_\_\_\_)(6lr1406) of the Acts of the General  
27 Assembly of 2016)

28 BY repealing and reenacting, with amendments,

29 Article – Alcoholic Beverages

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 17–401  
2 Annotated Code of Maryland  
3 (As enacted by Chapter \_\_\_\_ (S.B. \_\_\_\_)(6lr1406) of the Acts of the General  
4 Assembly of 2016)

5 BY adding to  
6 Article – Alcoholic Beverages  
7 Section 17–403 and 17–404  
8 Annotated Code of Maryland  
9 (As enacted by Chapter \_\_\_\_ (S.B. \_\_\_\_)(6lr1406) of the Acts of the General  
10 Assembly of 2016)

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

13 **Article – Alcoholic Beverages**

14 17–102.

15 This title applies only in Cecil County.

16 17–401.

17 (a) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of  
18 Division I of this article apply in the County without exception or variation:

- 19 (1) § 2–201 (“Issuance by Comptroller”);  
20 (2) § 2–202 (“Class 1 distillery license”);  
21 (3) § 2–204 (“Class 2 rectifying license”);  
22 (4) § 2–205 (“Class 3 winery license”);  
23 (5) § 2–206 (“Class 4 limited winery license”);  
24 (6) § 2–207 (“Class 5 brewery license”);  
25 (7) § 2–208 (“Class 6 pub–brewery license”);  
26 (8) § 2–210 (“Class 8 farm brewery license”);  
27 (9) § 2–211 (“Residency requirement”);  
28 (10) § 2–212 (“Additional licenses”);  
29 (11) § 2–213 (“Additional fees”);

1 (12) § 2–214 (“Sale or delivery restricted”);

2 (13) § 2–215 (“Beer sale on credit to retail dealer prohibited”);

3 (14) § 2–216 (“Interaction between manufacturing entities and retailers”);

4 (15) § 2–217 (“Distribution of alcoholic beverages — Prohibited practices”);  
5 and

6 (16) § 2–218 (“Restrictive agreements between producers and retailers  
7 — Prohibited”).

8 (b) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of  
9 Division I of this article [do not] apply in the County:

10 (1) § 2–203 (“Class 9 limited distillery license”), **SUBJECT TO § 17–403 OF**  
11 **THIS SUBTITLE;** and

12 (2) § 2–209 (“Class 7 micro–brewery license”), **SUBJECT TO § 17–404 OF**  
13 **THIS SUBTITLE.**

14 **17–403.**

15 (A) **A CLASS 9 LIMITED DISTILLERY LICENSE MAY BE ISSUED TO A HOLDER**  
16 **OF A CLASS B BEER, WINE, AND LIQUOR LICENSE OR A CLASS D BEER, WINE, AND**  
17 **LIQUOR LICENSE IF THE LICENSE OF THE HOLDER AUTHORIZES CONSUMPTION ON**  
18 **AND OFF THE LICENSED PREMISES.**

19 (B) **A HOLDER OF A CLASS 9 LIMITED DISTILLERY LICENSE AND A CLASS B**  
20 **BEER, WINE, AND LIQUOR LICENSE:**

21 (1) **MAY SELL THE PRODUCTS MANUFACTURED UNDER THE CLASS 9**  
22 **LIMITED DISTILLERY LICENSE AT RETAIL IN A MANNER CONSISTENT WITH THE**  
23 **UNDERLYING CLASS B LICENSE; AND**

24 (2) **MAY NOT SELL AT RETAIL ON THE PREMISES OF THE CLASS B**  
25 **LICENSE, FOR ON- OR OFF-SALE CONSUMPTION, MORE THAN 15,500 GALLONS OF**  
26 **THE PRODUCTS MANUFACTURED UNDER THE CLASS 9 LIMITED DISTILLERY**  
27 **LICENSE EACH CALENDAR YEAR.**

28 (C) **A HOLDER OF A CLASS 9 LIMITED DISTILLERY LICENSE AND A CLASS B**  
29 **BEER, WINE, AND LIQUOR LICENSE THAT DISTILLS MORE THAN THE GALLONAGE**  
30 **SPECIFIED IN § 2–203(D)(3) OF THIS ARTICLE SHALL DIVEST ITSELF OF ANY CLASS**  
31 **B RETAIL LICENSE AND OBTAIN A CLASS 1 MANUFACTURER’S LICENSE.**

1 **17-404.**

2           **(A) A CLASS 7 MICRO-BREWERY LICENSE MAY BE ISSUED TO THE HOLDER**  
3 **OF:**

4                   **(1) A CLASS B BEER, WINE, AND LIQUOR (ON-SALE) LICENSE, FOR**  
5 **USE ON THE PREMISES OF THE RESTAURANT FOR WHICH THE CLASS B LICENSE WAS**  
6 **ISSUED; OR**

7                   **(2) A CLASS D BEER, WINE, AND LIQUOR LICENSE, FOR USE ON THE**  
8 **PREMISES FOR WHICH THE CLASS D LICENSE WAS ISSUED.**

9           **(B) THE HOURS AND DAYS OF SALE FOR THE CLASS 7 MICRO-BREWERY**  
10 **LICENSE ARE THOSE ESTABLISHED FOR A CLASS D LICENSE.**

11           **(C) FOR THE HOLDER OF A CLASS D BEER, WINE, AND LIQUOR LICENSE**  
12 **THAT ALSO HOLDS A CLASS 7 MICRO-BREWERY LICENSE, THE BOARD MAY**  
13 **DETERMINE THE REQUIRED RATIO OF GROSS RECEIPTS FROM THE SALE OF FOOD**  
14 **TO THE GROSS RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES.**

15           **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July**  
16 **1, 2016.**