

HOUSE BILL 1071

A2

6lr2933
CF SB 958

By: Cecil County Delegation

Introduced and read first time: February 11, 2016

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 2016

CHAPTER _____

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; authorizing the Board of
20 License Commissioners for Cecil County to determine a certain ratio of gross
21 receipts; repealing certain provisions of law authorizing the Board to issue a certain
22 license to sell beer, wine, and liquor to the owner of a certain hotel; and generally
23 relating to the issuance of ~~Class 9 limited distillery licenses and Class 7 micro-~~
24 ~~brewery~~ alcoholic beverages licenses in Cecil County.

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 BY repealing and reenacting, without amendments,
 2 Article – Alcoholic Beverages
 3 Section 17–102
 4 Annotated Code of Maryland
 5 (As enacted by Chapter ____ (S.B. ____)(6lr1406) of the Acts of the General
 6 Assembly of 2016)

7 BY repealing and reenacting, with amendments,
 8 Article – Alcoholic Beverages
 9 Section 17–401 and 17–902
 10 Annotated Code of Maryland
 11 (As enacted by Chapter ____ (S.B. ____)(6lr1406) of the Acts of the General
 12 Assembly of 2016)

13 BY adding to
 14 Article – Alcoholic Beverages
 15 Section 17–403 ~~and 17–404~~
 16 Annotated Code of Maryland
 17 (As enacted by Chapter ____ (S.B. ____)(6lr1406) of the Acts of the General
 18 Assembly of 2016)

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

21 **Article – Alcoholic Beverages**

22 17–102.

23 This title applies only in Cecil County.

24 17–401.

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

- 27 (1) § 2–201 (“Issuance by Comptroller”);
 28 (2) § 2–202 (“Class 1 distillery license”);
 29 (3) § 2–204 (“Class 2 rectifying license”);
 30 (4) § 2–205 (“Class 3 winery license”);
 31 (5) § 2–206 (“Class 4 limited winery license”);
 32 (6) § 2–207 (“Class 5 brewery license”);

- 1 (7) § 2–208 (“Class 6 pub–brewery license”);
- 2 (8) § 2–210 (“Class 8 farm brewery license”);
- 3 (9) § 2–211 (“Residency requirement”);
- 4 (10) § 2–212 (“Additional licenses”);
- 5 (11) § 2–213 (“Additional fees”);
- 6 (12) § 2–214 (“Sale or delivery restricted”);
- 7 (13) § 2–215 (“Beer sale on credit to retail dealer prohibited”);
- 8 (14) § 2–216 (“Interaction between manufacturing entities and retailers”);
- 9 (15) § 2–217 (“Distribution of alcoholic beverages — Prohibited practices”);
- 10 and
- 11 (16) § 2–218 (“Restrictive agreements between producers and retailers
- 12 — Prohibited”).

13 (b) ~~The following sections~~ **SECTION 2–203 (“CLASS 9 LIMITED DISTILLERY**

14 **LICENSE”)** of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of Division I of this article [do

15 not] **DOES NOT** apply in the County;

16 (1) ~~§ 2–203 (“Class 9 limited distillery license”), SUBJECT TO § 17–403 OF~~

17 ~~THIS SUBTITLE;~~ and

18 (2) ~~§ 2–209 (“Class 7 micro–brewery license”), SUBJECT TO § 17–404 OF~~

19 ~~THIS SUBTITLE.~~

20 (c) **SECTION 2–209 (“CLASS 7 MICRO–BREWERY LICENSE”) APPLIES IN THE**

21 **COUNTY, SUBJECT TO § 17–403 OF THIS SUBTITLE.**

22 **17–403.**

23 (A) ~~A CLASS 9 LIMITED DISTILLERY LICENSE MAY BE ISSUED TO A HOLDER~~

24 ~~OF A CLASS B BEER, WINE, AND LIQUOR LICENSE OR A CLASS D BEER, WINE, AND~~

25 ~~LIQUOR LICENSE IF THE LICENSE OF THE HOLDER AUTHORIZES CONSUMPTION ON~~

26 ~~AND OFF THE LICENSED PREMISES.~~

27 (B) ~~A HOLDER OF A CLASS 9 LIMITED DISTILLERY LICENSE AND A CLASS B~~

28 ~~BEER, WINE, AND LIQUOR LICENSE;~~

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

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

~~(c) A HOLDER OF A CLASS 9 LIMITED DISTILLERY LICENSE AND A CLASS B BEER, WINE, AND LIQUOR LICENSE THAT DISTILLS MORE THAN THE GALLONAGE SPECIFIED IN § 2-203(D)(3) OF THIS ARTICLE SHALL DIVEST ITSELF OF ANY CLASS B RETAIL LICENSE AND OBTAIN A CLASS 1 MANUFACTURER'S LICENSE.~~

~~17-404.~~

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

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

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

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

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

17-902.

(a) There is a Class B beer, wine, and liquor license.

(b) [The Board may issue the license to the owner of a hotel that:

(1) is in a building at least three stories tall that was originally constructed for hotel purposes;

(2) has a capital investment of at least \$500,000; and

- 1 (3) has:
2 (i) at least one passenger elevator;
3 (ii) at least 100 rooms for the accommodation of the public; and
4 (iii) a dining room with facilities for preparing and serving regular
5 meals for at least 125 individuals at one seating.

6 (c) The license authorizes the license holder to sell beer, wine, and liquor at a
7 [hotel or] restaurant at retail at the place described in the license, for on- or off-premises
8 consumption.

9 [(d)](C) The annual license fee is \$750.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
11 1, 2016.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.