

SENATE BILL 958

A2

(6lr0711)

ENROLLED BILL

— Education, Health, and Environmental Affairs/Economic Matters —

Introduced by **Cecil County Senators**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

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,~~

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.

Italics indicate opposite chamber/conference committee amendments.



1 and liquor license under certain circumstances; establishing that for a holder of a
 2 Class D beer, wine, and liquor license who also holds a Class 7 micro-brewery
 3 license, the hours and days of sale for the Class 7 micro-brewery license are those
 4 established for a Class D beer, wine, and liquor license; authorizing the Board of
 5 License Commissioners for Cecil County to determine a certain ratio of gross receipts;
 6 repealing certain provisions of law authorizing the Board of License Commissioners
 7 for Cecil County to issue a certain license to sell beer, wine, and liquor to the owner
 8 of a certain hotel; and generally relating to the issuance of ~~Class 9 limited distillery~~
 9 ~~licenses and Class 7 micro-brewery~~ alcoholic beverages licenses in Cecil County.

10 BY repealing and reenacting, without amendments,

11 Article – Alcoholic Beverages

12 Section 17-102

13 Annotated Code of Maryland

14 (As enacted by Chapter ____ (S.B. ____)(6lr1406) of the Acts of the General
 15 Assembly of 2016)

16 BY repealing and reenacting, with amendments,

17 Article – Alcoholic Beverages

18 Section 17-401 and 17-902

19 Annotated Code of Maryland

20 (As enacted by Chapter ____ (S.B. ____)(6lr1406) of the Acts of the General
 21 Assembly of 2016)

22 BY adding to

23 Article – Alcoholic Beverages

24 Section 17-403 ~~and 17-404~~

25 Annotated Code of Maryland

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

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

30 **Article – Alcoholic Beverages**

31 17-102.

32 This title applies only in Cecil County.

33 17-401.

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

36 (1) § 2-201 (“Issuance by Comptroller”);

- 1 (2) § 2–202 (“Class 1 distillery license”);
- 2 (3) § 2–204 (“Class 2 rectifying license”);
- 3 (4) § 2–205 (“Class 3 winery license”);
- 4 (5) § 2–206 (“Class 4 limited winery license”);
- 5 (6) § 2–207 (“Class 5 brewery license”);
- 6 (7) § 2–208 (“Class 6 pub–brewery license”);
- 7 (8) § 2–210 (“Class 8 farm brewery license”);
- 8 (9) § 2–211 (“Residency requirement”);
- 9 (10) § 2–212 (“Additional licenses”);
- 10 (11) § 2–213 (“Additional fees”);
- 11 (12) § 2–214 (“Sale or delivery restricted”);
- 12 (13) § 2–215 (“Beer sale on credit to retail dealer prohibited”);
- 13 (14) § 2–216 (“Interaction between manufacturing entities and retailers”);
- 14 (15) § 2–217 (“Distribution of alcoholic beverages — Prohibited practices”);
- 15 and
- 16 (16) § 2–218 (“Restrictive agreements between producers and retailers
- 17 — Prohibited”).

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

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

20 ~~not~~ **DOES NOT** apply in the County;

21 ~~(1) § 2–203 (“Class 9 limited distillery license”), SUBJECT TO § 17–403 OF~~

22 ~~THIS SUBTITLE; and~~

23 ~~(2) § 2–209 (“Class 7 micro brewery license”), SUBJECT TO § 17–404 OF~~

24 ~~THIS SUBTITLE.~~

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

26 **COUNTY, SUBJECT TO § 17-403 OF THIS SUBTITLE.**

27 **17-403.**

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

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

- 1 (a) There is a Class B beer, wine, and liquor license.
- 2 (b) [The Board may issue the license to the owner of a hotel that:
- 3 (1) is in a building at least three stories tall that was originally constructed
4 for hotel purposes;
- 5 (2) has a capital investment of at least \$500,000; and
- 6 (3) has:
- 7 (i) at least one passenger elevator;
- 8 (ii) at least 100 rooms for the accommodation of the public; and
- 9 (iii) a dining room with facilities for preparing and serving regular
10 meals for at least 125 individuals at one seating.
- 11 (c) The license authorizes the license holder to sell beer, wine, and liquor at a
12 [hotel or] restaurant at retail at the place described in the license, for on- or off-premises
13 consumption.
- 14 [(d)](C) The annual license fee is \$750.

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.