

Chapter 310

(House Bill 1337)

AN ACT concerning

Alcoholic Beverages – Liquor – Manufacturer’s and Wholesaler’s Licenses and Permits

FOR the purpose of establishing a nonresident distillery permit; authorizing the Comptroller to issue the permit to certain persons who produce not more than a certain amount of liquor annually; authorizing a permit holder to sell and deliver certain liquor from a location outside the State to certain retail license or permit holders in the State; requiring a permit holder to comply with certain provisions of law; establishing a certain annual permit fee; authorizing a holder of a Class 1 distillery license to apply for and obtain a certain wholesaler’s license; establishing the Class 8 liquor wholesaler’s license; authorizing the issuance of the Class 8 wholesaler’s license to certain persons; authorizing a Class 8 wholesaler’s license holder to sell and deliver not more than a certain amount annually of certain liquor to certain license or permit holders; establishing a certain annual license fee; authorizing a Class 8 wholesaler’s license holder to use an additional location for the warehousing, sale, and delivery of liquor under certain circumstances; authorizing a holder of a Class 8 wholesaler’s license or a nonresident distillery permit to sell or deliver its own liquor in Montgomery County to a dispensary, restaurant, or other retail dealer authorized to sell liquor; authorizing in Montgomery County, a dispensary, restaurant, or other retail dealer authorized to sell liquor to purchase liquor directly from a holder of a Class 8 wholesaler’s license or a nonresident distillery permit; and generally relating to manufacturer’s and wholesaler’s liquor licenses and permits.

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

The part designation to be “Part IV. Beer, Wine, and Liquor Permits” immediately preceding Section 2–129

Annotated Code of Maryland

(As enacted by Chapter ____ (S.B. 724) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 2–129 and 2–202(a)

Annotated Code of Maryland

(As enacted by Chapter ____ (S.B. 724) of the Acts of the General Assembly of 2016)

BY adding to

Article – Alcoholic Beverages

Section 2–132.1 and 2–308.1

Annotated Code of Maryland

(As enacted by Chapter ____ (S.B. 724) of the Acts of the General Assembly of 2016)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages

Section 2–212(b) and 25–307

Annotated Code of Maryland

(As enacted by Chapter ____ (S.B. 724) of the Acts of the General Assembly of 2016)

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

Article – Alcoholic Beverages

Part IV. Beer [and Wine], WINE, AND LIQUOR Permits.

2–129.

This part applies statewide.

2–132.1.

(A) THERE IS A NONRESIDENT DISTILLERY PERMIT.

(B) THE COMPTROLLER MAY ISSUE THE PERMIT TO A PERSON THAT:

(1) IS LICENSED OUTSIDE THE STATE TO ENGAGE IN THE MANUFACTURE OF LIQUOR;

(2) PRODUCES IN THE AGGREGATE FROM ALL OF ITS LOCATIONS NOT MORE THAN 100,000 GALLONS OF LIQUOR ANNUALLY; AND

(3) DOES NOT HOLD A NONRESIDENT DEALER’S PERMIT.

(C) (1) THE PERMIT AUTHORIZES THE PERMIT HOLDER TO SELL AND DELIVER THE PERMIT HOLDER’S OWN LIQUOR FROM A LOCATION OUTSIDE THE STATE TO A RETAIL LICENSE HOLDER OR PERMIT HOLDER IN THE STATE AUTHORIZED TO ACQUIRE THE LIQUOR.

(2) THE PERMIT HOLDER SHALL COMPLY WITH ALL THE REQUIREMENTS OF THIS ARTICLE, THE TAX – GENERAL ARTICLE, AND THE REGULATIONS OF THE COMPTROLLER THAT APPLY TO A HOLDER OF A CLASS 8 LIMITED LIQUOR WHOLESALER’S LICENSE.

(D) THE ANNUAL PERMIT FEE IS \$100.

2-202.

- (a) There is a Class 1 distillery license.

2-212.

(b) (1) The holder of a rectifying or winery license may apply for and obtain a wholesaler's license of any class for the same premises or elsewhere as provided under this article.

(2) The holder of a Class 4 limited winery license may apply for and obtain a Class 6 limited wine wholesaler's license for the same premises or elsewhere as provided under this article.

(3) (i) The holder of a Class 5 brewery license or Class 7 micro-brewery license may apply for and obtain a Class 7 limited beer wholesaler's license in accordance with this paragraph.

(ii) A holder of a Class 5 brewery license that was selling the holder's own beer at wholesale in the State as of January 1, 2013, may obtain a Class 7 limited beer wholesaler's license to continue to sell the holder's own beer at wholesale in the same location in an amount that is not more than 3,000 barrels annually.

(iii) A holder of a Class 5 brewery license that produces in aggregate from all its locations not more than 22,500 barrels of beer annually may obtain a Class 7 limited beer wholesaler's license and distribute not more than 3,000 barrels of its own beer annually.

(4) A holder of one or two Class 7 micro-brewery licenses that produces in aggregate from all of its locations not more than 22,500 barrels of beer annually may obtain a Class 7 limited beer wholesaler's license and distribute beer that:

(i) totals annually not more than 3,000 barrels in aggregate from all of its locations; and

(ii) has been brewed at the location from where it is distributed.

(5) THE HOLDER OF A CLASS 1 DISTILLERY LICENSE MAY APPLY FOR AND OBTAIN A CLASS 8 LIQUOR WHOLESALER'S LICENSE FOR THE SAME PREMISES OR ELSEWHERE AS PROVIDED UNDER THIS ARTICLE.

2-308.1.

(A) THERE IS A CLASS 8 LIQUOR WHOLESALER'S LICENSE.

(B) THE LICENSE MAY BE ISSUED ONLY TO A PERSON THAT:

(1) HOLDS A CLASS 1 DISTILLERY LICENSE; AND

(2) PRODUCES IN THE AGGREGATE FROM ALL OF ITS LOCATIONS NOT MORE THAN 100,000 GALLONS OF LIQUOR ANNUALLY.

(C) THE LICENSE AUTHORIZES THE LICENSE HOLDER TO:

(1) SELL AND DELIVER ITS OWN LIQUOR PRODUCED AT THE LICENSE HOLDER'S PREMISES TO:

(I) A HOLDER OF A RETAIL LICENSE THAT IS AUTHORIZED TO ACQUIRE LIQUOR FROM A WHOLESALER; AND

(II) A HOLDER OF A PERMIT THAT IS AUTHORIZED TO ACQUIRE LIQUOR FROM A WHOLESALER; AND

(2) DISTRIBUTE NOT MORE THAN 27,500 GALLONS OF ITS OWN LIQUOR ANNUALLY.

(D) THE ANNUAL LICENSE FEE IS \$100.

(E) THE LICENSE HOLDER MAY USE AN ADDITIONAL LOCATION FOR THE WAREHOUSING, SALE, AND DELIVERY OF LIQUOR:

(1) IF APPROVED BY THE COMPTROLLER FOLLOWING SUBMISSION OF A SEPARATE APPLICATION FOR EACH LOCATION; AND

(2) ON THE PAYMENT OF A \$100 FEE FOR EACH ADDITIONAL LOCATION.

25-307.

(a) This section does not apply to a holder of a Class F license.

(b) (1) Except as provided in paragraphs (2) through (8) of this subsection:

(i) the Department has a monopoly on the wholesale distribution of beer, wine, and liquor and retail distribution of off-sale liquor in the County, subject to § 1-309 of this article; and

(ii) a person may sell only alcoholic beverages that are purchased from the Department.

(2) The holders of the following wholesaler's licenses may sell or deliver alcoholic beverages for resale to a dispensary:

- (i) a Class 1 beer, wine, and liquor license;
- (ii) a Class 2 wine and liquor license;
- (iii) a Class 3 beer and wine license;
- (iv) a Class 4 beer license; or
- (v) a Class 5 wine license.

(3) The holder of a Class 6 limited wine wholesaler's license or nonresident winery permit may sell or deliver wine directly to a dispensary, restaurant, or other retail dealer in the County.

(4) The holder of a Class 7 limited beer wholesaler's license or nonresident brewery permit may sell or deliver its own beer to a dispensary, restaurant, or other retail dealer in the County.

(5) THE HOLDER OF A CLASS 8 LIQUOR WHOLESALER'S LICENSE OR NONRESIDENT DISTILLERY PERMIT MAY SELL OR DELIVER ITS OWN LIQUOR TO A DISPENSARY, RESTAURANT, OR OTHER RETAIL DEALER AUTHORIZED TO SELL LIQUOR IN THE COUNTY.

(6) A holder of a direct wine shipper's permit may ship wine directly to a consumer in the County.

[(6)] (7) A dispensary, restaurant, or other retail dealer in the County may purchase wine directly from a holder of a Class 6 limited wine wholesaler's license or of a nonresident winery permit.

[(7)] (8) A dispensary, restaurant, or other retail dealer in the County may purchase beer directly from a holder of a Class 7 limited beer wholesaler's license or of a nonresident brewery permit.

[(8)] (9) A DISPENSARY, RESTAURANT, OR OTHER RETAIL DEALER AUTHORIZED TO SELL LIQUOR IN THE COUNTY MAY PURCHASE LIQUOR DIRECTLY FROM A HOLDER OF A CLASS 8 LIQUOR WHOLESALER'S LICENSE OR OF A NONRESIDENT DISTILLERY PERMIT.

(10) A holder of a charity wine auction permit in the County may receive and sell wine obtained from any source listed under § 2-137 of this article.

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

Approved by the Governor, April 26, 2016.