

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1238 (Delegate Grammer)
Economic Matters

Baltimore County - Alcoholic Beverages - Sale of Beer Kegs by Class 5 Breweries

This bill authorizes a holder of a Class 5 manufacturer's license in Baltimore County to sell kegs of beer at retail if the beer is brewed at the location described in the license. A holder of a Class 5 manufacturer's license that sells kegs of beer at retail is subject to restrictions specified in current law.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: The Baltimore County Board of License Commissioners can handle any additional enforcement activity with existing resources.

Small Business Effect: Minimal overall, but potential meaningful impact on holders of Class 5 manufacturer's licenses in Baltimore County who are newly able to sell kegs of beer at retail at their licensed premises.

Analysis

Current Law:

Class 5 Manufacturer's License

A license holder may (1) operate a plant for brewing and bottling malt beverages at the location described in the license; (2) import beer from a holder of a nonresident dealer's

permit; (3) sell and deliver beer to a holder of a wholesaler's license; (4) serve, at no charge, up to six three-ounce samples of beer, brewed at the brewery, to an individual who is at least age 21 and is participating in a guided tour of the brewery or attending a scheduled promotional event or other organized activity at the brewery; (5) with specified restrictions, sell beer brewed at the brewery for off-premises consumption at retail to an individual participating in a guided tour of the brewery or attending a scheduled promotional event or other organized activity at the brewery; and (6) with specified restrictions, sell beer brewed at the brewery for on-premises consumption. An individual who is age 21 may purchase up to 288 ounces of beer. The annual license fee is \$1,500.

On-site Consumption Permit

A local licensing board is required to grant an on-site consumption permit to an applicant that holds a Class 5 manufacturer's license and, with specified exceptions, a Class D beer license. An on-site consumption permit entitles the holder to sell beer brewed at the brewery for on-premises consumption to an individual who is at least age 21. The total amount of beer sold each year for on-premises consumption may not exceed 500 barrels.

Before a local licensing board that does not issue a Class D beer license may grant an on-site consumption permit, the local licensing board must establish an equivalent license and require the applicant to obtain that equivalent license. A local licensing board may charge a fee for granting an on-site consumption permit and may require that the holder of the permit or an employee attend alcohol awareness training.

Sale or Transfer of Keg

A license holder may not sell or otherwise transfer a keg for off-premises consumption unless the license holder provides the purchaser with a keg registration form, created by the Comptroller, which is attached to the keg and indicates the name and address of the licensed establishment and a registration number. With specified exceptions, the purchaser must provide identification and complete a registration form that includes the purchaser's name, address, and date of purchase. The license holder must attach the completed registration form to the keg and retain a copy of the form for 30 days.

Return of Keg

On return of a registered keg, the license holder must remove the keg registration form and note the date of the removal on their copy of the keg registration. If a keg is disposable and does not have to be returned, the license holder must indicate on the registration form that the keg is disposable. A license holder may charge a keg registration fee to a purchaser. A license holder who violates any of the requirements may face a fine of up to \$100, a suspension or revocation of the license, or both.

Alcohol Awareness Training

Generally, for a premises that is licensed to sell alcoholic beverages with off-sale privileges or a premises that is licensed with on-sale privileges and sells alcoholic beverages directly to a customer from a bar or service bar, the license holder or specified employees must complete training in an approved alcohol awareness program in order to obtain and retain their alcoholic beverages license. Howard, Kent, Montgomery, Washington, and Wicomico counties have stricter requirements, and in those counties, any holder of any class of retail alcoholic beverages license, or an employee designated by the holder, must complete such training. The training program must be approved and certified by the Comptroller, and it must provide information on how alcohol affects a person's body and behavior, the dangers of drinking and driving, refusing service before a customer becomes intoxicated, and determining if a customer is old enough to legally consume alcohol. The training is valid for four years.

Background: In fiscal 2015, there were 20 Class 5 manufacturer's licenses issued in the State.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore County, Comptroller's Office, Department of Legislative Services

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Analysis by: Nathan W. McCurdy

Direct Inquiries to:
(410) 946-5510
(301) 970-5510