

Chapter 455

(House Bill 1071)

AN ACT concerning

Cecil County – Alcoholic Beverages – ~~Class 9 Limited Distillery Licenses and Class 7 Micro-Brewery Licenses~~

FOR the purpose of authorizing ~~a Class 9 limited distillery license and a Class 7 micro-brewery license to be issued in Cecil County; authorizing a Class 9 limited distillery license to be issued to a holder of a Class B beer, wine, and liquor license as well as a Class D beer, wine, and liquor license under certain circumstances; providing that a certain Class 9 limited distillery license holder who is also a Class B beer, wine, and liquor license holder may sell certain products in a certain manner and may not sell at retail more than a certain number of gallons on a certain premises each year; requiring a Class 9 limited distillery license holder who is also a Class B beer, wine, and liquor license holder to divest itself of a certain license and obtain a certain license if the license holder distills more than a certain number of gallons of product each year;~~ authorizing a Class 7 micro-brewery license to be issued to a holder of a Class B beer, wine, and liquor license or a Class D beer, wine, and liquor license under certain circumstances; establishing that for a holder of a Class D beer, wine, and liquor license who also holds a Class 7 micro-brewery license, the hours and days of sale for the Class 7 micro-brewery license are those established for a Class D beer, wine, and liquor license; authorizing the Board of License Commissioners for Cecil County to determine a certain ratio of gross receipts; repealing certain provisions of law authorizing the Board to issue a certain license to sell beer, wine, and liquor to the owner of a certain hotel; and generally relating to the issuance of ~~Class 9 limited distillery licenses and Class 7 micro-brewery~~ alcoholic beverages licenses in Cecil County.

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

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

BY adding to
Article – Alcoholic Beverages

Section 17-403 ~~and 17-404~~
Annotated Code of Maryland

(As enacted by Chapter ____ (S.B. ____)(6lr1406) 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

17-102.

This title applies only in Cecil County.

17-401.

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

- (1) § 2-201 (“Issuance by Comptroller”);
- (2) § 2-202 (“Class 1 distillery license”);
- (3) § 2-204 (“Class 2 rectifying license”);
- (4) § 2-205 (“Class 3 winery license”);
- (5) § 2-206 (“Class 4 limited winery license”);
- (6) § 2-207 (“Class 5 brewery license”);
- (7) § 2-208 (“Class 6 pub-brewery license”);
- (8) § 2-210 (“Class 8 farm brewery license”);
- (9) § 2-211 (“Residency requirement”);
- (10) § 2-212 (“Additional licenses”);
- (11) § 2-213 (“Additional fees”);
- (12) § 2-214 (“Sale or delivery restricted”);
- (13) § 2-215 (“Beer sale on credit to retail dealer prohibited”);
- (14) § 2-216 (“Interaction between manufacturing entities and retailers”);

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

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

(b) ~~The following sections~~ **SECTION 2-203 (“CLASS 9 LIMITED DISTILLERY LICENSE”)** of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of Division I of this article [do not] **DOES NOT** apply in the County:

~~(1) § 2-203 (“Class 9 limited distillery license”), SUBJECT TO § 17-403 OF THIS SUBTITLE; and~~

~~(2) § 2-209 (“Class 7 micro-brewery license”), SUBJECT TO § 17-404 OF THIS SUBTITLE.~~

(C) SECTION 2-209 (“CLASS 7 MICRO-BREWERY LICENSE”) APPLIES IN THE COUNTY, SUBJECT TO § 17-403 OF THIS SUBTITLE.

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.

(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

(3) has:

(i) at least one passenger elevator;

(ii) at least 100 rooms for the accommodation of the public; and

(iii) a dining room with facilities for preparing and serving regular meals for at least 125 individuals at one seating.

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

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

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

Approved by the Governor, May 10, 2016.