

HOUSE BILL 1531

A1

7lr3149

By: **Delegate Lisanti**

Introduced and read first time: February 15, 2017

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Limited Winery Licenses – Auxiliary Winery Permits**

3 FOR the purpose of establishing an auxiliary winery permit; authorizing the Comptroller
4 to issue the permit to a Class 4 limited winery for use at a location off the licensed
5 premises anywhere in the State; providing that the Comptroller may issue only one
6 permit to a single applicant; authorizing the holder of the permit to exercise the
7 privileges with certain exceptions that are allowed at the premises for which the
8 holder's Class 4 license is issued; requiring that an agent who is certified by an
9 approved alcohol awareness program be present while a permit holder sells or
10 provides samples of wine; requiring an applicant for a permit to submit a certain
11 application to the Comptroller; providing for an annual permit fee; repealing certain
12 requirements relating to the authority of a holder of a Class 3 winery license to sell
13 at retail wine made at the plant; repealing certain requirements relating to the
14 authority of a holder of a Class 3 winery license to serve, at no charge, no more than
15 a certain amount of wine to a certain individual; repealing a certain maximum limit
16 on the amount of wine an individual may purchase under certain conditions;
17 requiring a holder of a Class 4 limited winery license to own or have under contract
18 a certain amount of acres of grapes or other fruit in cultivation for use in the
19 production of wine in the State or use a certain amount of Maryland grown grapes,
20 other fruit, or other agricultural products in the production of its wine; making a
21 certain exception; requiring certain holders of a Class 4 winery license to meet
22 certain requirements beginning on a certain date; and generally relating to limited
23 winery licenses and the establishment of an auxiliary winery permit.

24 BY adding to

25 Article – Alcoholic Beverages

26 Section 2-132.4

27 Annotated Code of Maryland

28 (2016 Volume and 2016 Supplement)

29 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Alcoholic Beverages
2 Section 2–205 and 2–206
3 Annotated Code of Maryland
4 (2016 Volume and 2016 Supplement)

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

7 **Article – Alcoholic Beverages**

8 **2–132.4.**

9 **(A) THERE IS AN AUXILIARY WINERY PERMIT.**

10 **(B) (1) THE COMPTROLLER MAY ISSUE THE PERMIT TO A CLASS 4**
11 **LIMITED WINERY FOR USE AT A LOCATION OFF THE LICENSED PREMISES ANYWHERE**
12 **IN THE STATE.**

13 **(2) THE COMPTROLLER MAY ISSUE ONLY ONE PERMIT TO A SINGLE**
14 **APPLICANT.**

15 **(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
16 **THE PERMIT AUTHORIZES THE HOLDER TO EXERCISE ALL OF THE PRIVILEGES**
17 **ALLOWED AT THE PREMISES FOR WHICH THE LICENSE HOLDER'S CLASS 4 LICENSE**
18 **IS ISSUED.**

19 **(2) THE PERMIT HOLDER MAY NOT FERMENT AND BOTTLE WINE OR**
20 **DISTILL AND BOTTLE POMACE BRANDY AT THE LOCATION DESCRIBED IN THE**
21 **PERMIT.**

22 **(D) WHILE SELLING OR PROVIDING SAMPLES OF WINE, A PERMIT HOLDER**
23 **SHALL HAVE AN AGENT PRESENT WHO IS CERTIFIED BY AN APPROVED ALCOHOL**
24 **AWARENESS PROGRAM.**

25 **(E) AN APPLICANT SHALL:**

26 **(1) SUBMIT TO THE COMPTROLLER A COMPLETED APPLICATION ON A**
27 **FORM THAT THE COMPTROLLER PROVIDES; AND**

28 **(2) PAY AN ANNUAL FEE OF \$250 FOR THE PERMIT.**

29 2–205.

30 (a) There is a Class 3 winery license.

(b) A license holder may:

(1) establish and operate a plant for fermenting and bottling wine at the described in the license;

(2) import bulk wine from the holder of a nonresident dealer's permit;

(3) sell and deliver wine to:

(i) a holder of a wholesaler's license;

(ii) a holder of a permit that is authorized to acquire wine; and

(iii) a person outside the State that is authorized to acquire wine;

15 (c) [An individual may purchase wine under subsection (b)(4) of this section if the
16 individual:

(1) purchases not more than 1 quart in a single year; and

(2) has attained the legal drinking age.

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

20 2-206.

(a) There is a Class 4 limited winery license.

(b) (1) A license holder may:

(i) subject to paragraph [(2)] (3) of this subsection, from available Maryland agricultural products:

1. ferment and bottle wine; and

2. distill and bottle pomace brandy; and

(ii) sell and deliver the wine and pomace brandy to:

1. a holder of a wholesaler's license;
2. a holder of a permit that is authorized to acquire wine or
3. a person outside the State that is authorized to acquire
brandy.

22 [(2)] (3) (I) THIS PARAGRAPH DOES NOT APPLY TO PARAGRAPH
23 (2) OF THIS SUBSECTION.

30 **[(3)] (4)** Except as provided in Subtitle 3 of this title, a license holder need
31 not obtain any other license to possess, manufacture, sell, or transport wine or pomace
32 brandy.

1 **[(4)] (5)** A license holder may:

2 (i) sell wine and pomace brandy produced by the license holder for
3 consumption;

4 (ii) in an amount not exceeding 2 fluid ounces per brand, provide
5 samples of wine and pomace brandy that the license holder produces to a consumer:

6 1. at no charge; or

7 2. for a fee; and

8 (iii) subject to paragraph **[(5)] (6)** of this subsection, sell or serve
9 only:

10 1. bread and other baked goods;

11 2. chili;

12 3. chocolate;

13 4. crackers;

14 5. cured meat;

15 6. fruits (whole and cut);

16 7. hard and soft cheese (whole and cut);

17 8. salads and vegetables (whole and cut);

18 9. the following items made with Maryland wine:

19 A. ice cream;

20 B. jam;

21 C. jelly; and

22 D. vinegar;

23 10. pizza;

24 11. prepackaged sandwiches and other prepackaged foods

25 ready to be eaten;

26 12. soup; and

13. condiments.

2 [(5)] (6) (i) A caterer is not limited to selling or serving only the foods
3 specified in paragraph [(4)(iii)] (5)(III) of this subsection.

4 (ii) A license holder or entity in which the license holder has a
5 pecuniary interest may not act as a caterer of food.

[(6)] (7) Subject to paragraph [(7)] (8) of this subsection, a license holder
may conduct the activities specified in paragraph [(4)] (5) of this subsection:

(i) for off-premises consumption of wine and pomace brandy and for sampling, from 10 a.m. to 10 p.m. each day; and

10 (ii) for on-premises consumption of wine and pomace brandy and
11 sales and service of food on the licensed premises:

12 1. from 10 a.m. to 6 p.m. each day; or

15 [(7)] (8) Except as provided in Division II of this article, the license allows
16 the license holder to operate 7 days a week.

17 **[(8)] (9)** At least 14 days before holding a planned promotional event after
18 6 p.m., a license holder shall file a notice of the promotional event with the Comptroller on
19 the form that the Comptroller provides.

20 **[(9)] (10)** Nothing in this subsection limits the application of relevant
21 provisions of Title 21 of the Health – General Article, and regulations adopted under that
22 title, to a license holder.

23 (c) The place listed on the license shall be in compliance with § 1-405(b) of this
24 article.

25 (d) A license holder may:

30 (2) distill and bottle not more than 1,900 gallons of pomace brandy made
31 from available Maryland agricultural products;

5 (4) purchase pomace brandy only for blending with wine;

(6) produce wine and pomace brandy at a warehouse for which the license holder has been issued an individual storage permit, if:

10 (i) the license holder does not serve or sell wine or pomace brandy
11 at a warehouse to the public; and

12 (ii) the Comptroller has full access at all times to the warehouse to
13 enforce this article.

14 (e) A Class 4 limited winery may be located only at the place stated on the license.

15 (f) If a license holder maintains the records and files the reports that the
16 Comptroller requires, the license holder may:

21 (g) Throughout the winemaking process, the license holder shall:

22 (1) maintain ownership of the wine or pomace brandy; and

23 (2) ensure that the wine or pomace brandy returns to the location of the
24 limited winery.

25 (h) The annual license fee is \$200.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
27 1, 2017.