

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1328
Economic Matters

(Delegate A. Washington, *et al.*)

Alcoholic Beverages - Class 1 Distillery Licenses - Samples and Sales of Product

This bill increases the amount of product a Class 1 distillery may serve as samples and sell to customers who participate in a guided tour of the distillery by (1) allowing the distillery to provide samples of up to 1.5 ounces per product (current law limits the distillery to three 0.5-ounce samples) and (2) allowing the distillery to sell up to nine liters of its products for off-premises consumption (current law limits the distillery to sell no more than three 750-milliliter bottles). The bill also clarifies that the Class 1 distillery's samples can be provided at no charge or for a fee.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: The bill does not directly affect local governmental operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law: A Class 1 distillery license is issued by the Comptroller's Office and authorizes the establishment and operation of a plant for distilling brandy, rum, whiskey, alcohol, and neutral spirits at the location described in the license. It also authorizes the sale and delivery of those alcoholic beverages, with specified restrictions. The annual license fee is \$2,000.

A Class 1 distillery license must be obtained for each trade name and for each distillery in the State. It permits a distiller to manufacture alcoholic beverages in the name of another person or under a trade name, provided that a distillery license has been issued to that other person or under that trade name, as the case may be. It also permits the license holder to (1) acquire bulk alcoholic beverages from the holder of a distillery, rectifying, or winery license in the State or from the holder of a nonresident dealer's permit; (2) conduct guided tours; (3) serve up to three samples, with each sample being no more than 0.5 ounce of a single product; and (4) sell up to three 750-milliliter bottles of products manufactured on the licensed premises, for consumption off the licensed premises, and related merchandise, to persons of legal drinking age who participate in a guided tour of the licensed premises.

Background: Currently, there are 20 Class 1 distilleries licensed in the State.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office; Department of Legislative Services

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