

SENATE BILL 406

A1

8lr2826

By: **Senator Young**

Introduced and read first time: January 25, 2018

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Class 5 Breweries – Sales of Beer for On-Premises**
3 **Consumption**

4 FOR the purpose of altering the number of barrels of beer that certain holders of Class 5
5 brewery licenses may sell in a single year for on-premises consumption; repealing a
6 requirement that a holder of a Class 5 brewery license purchase certain barrels of
7 beer from a licensed wholesaler before selling them for on-premises consumption;
8 and generally relating to holders of Class 5 brewery licenses.

9 BY repealing and reenacting, without amendments,
10 Article – Alcoholic Beverages
11 Section 2–207(b) and (f)(4)
12 Annotated Code of Maryland
13 (2016 Volume and 2017 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Alcoholic Beverages
16 Section 2–207(f)(5)
17 Annotated Code of Maryland
18 (2016 Volume and 2017 Supplement)

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

21 **Article – Alcoholic Beverages**

22 2–207.

23 (b) There is a Class 5 brewery license.

24 (f) (4) Except as provided in paragraph (5) of this subsection, the total amount

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 of beer sold each year for on-premises consumption under this subsection may not exceed
2 2,000 barrels.

3 (5) (i) If, in a single year, the license holder reaches 80% of the volume
4 authorized to be sold for on-premises consumption under paragraph (4) of this subsection,
5 the license holder may file a request with the Comptroller for permission to sell [up to an]
6 additional [1,000] barrels for on-premises consumption in that year.

7 (ii) The maximum volume that a license holder may sell for
8 on-premises consumption in a single year is:

9 1. 3,000 barrels, FOR A LICENSE HOLDER THAT BREWS
10 **100,000 BARRELS OR LESS IN A SINGLE YEAR; OR**

11 2. **3,000 BARRELS PLUS 1% OF THE NUMBER OF**
12 **BARRELS BREWED OVER 100,000, FOR A LICENSE HOLDER THAT BREWS MORE THAN**
13 **100,000 BARRELS IN A SINGLE YEAR.**

14 [(iii) Any beer that the license holder sells for on-premises
15 consumption in excess of the 2,000-barrel limit under paragraph (4) of this subsection shall
16 be purchased from a licensed wholesaler.]

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
18 1, 2018.