

HOUSE BILL 666

A1

9lr1757

By: ~~Delegate Lisanti~~ Economic Matters Committee

Introduced and read first time: February 6, 2019

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 24, 2019

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages – Nonprofit Beer, Wine, and Liquor Festival Permit – Retail**
3 **Off-Site Permit**

4 FOR the purpose of altering a nonprofit beer festival permit to be a nonprofit beer, wine,
5 and liquor festival permit; altering the scope of authorization, fee, and various
6 requirements to establish the nonprofit beer, wine, and liquor festival permit;
7 repealing a certain wine festival permit and a liquor festival permit; altering a
8 farmers' market off-site permit to be a retail off-site permit; altering the scope of
9 authorization, fee, and various requirements to establish the retail off-site permit;
10 making conforming changes; defining a certain term; and generally relating to
11 alcoholic beverages festivals and permits.

12 BY repealing and reenacting, with amendments,

13 Article – Alcoholic Beverages

14 Section 2–130(g), 2–131, 2–132.2(e), 2–133(e) and (f), 2–136, and 11–1304(g)

15 Annotated Code of Maryland

16 (2016 Volume and 2018 Supplement)

17 BY repealing

18 Article – Alcoholic Beverages

19 Section 2–132.3 and 2–134

20 Annotated Code of Maryland

21 (2016 Volume and 2018 Supplement)

22 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Alcoholic Beverages
2 Section 11–102
3 Annotated Code of Maryland
4 (2016 Volume and 2018 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 2–130.

9 (g) A person that holds a brewing company off–site permit may use the permit at
10 a nonprofit beer, **WINE, AND LIQUOR** festival that:

11 (1) has as its primary purpose the promotion of Maryland beer, **WINE, AND**
12 **LIQUOR**; and

13 (2) is authorized by a local licensing board under § 2–131 of this subtitle.

14 2–131.

15 (a) **IN THIS SECTION, “OFF–SITE PERMIT” INCLUDES:**

16 **(1) A BREWING COMPANY OFF–SITE PERMIT;**

17 **(2) A DISTILLERY OFF–SITE PERMIT;**

18 **(3) A RETAIL OFF–SITE PERMIT; AND**

19 **(4) A WINERY OFF–SITE PERMIT.**

20 **(B)** There is a nonprofit beer, **WINE, AND LIQUOR** festival permit.

21 **[(b)] (C)** The Comptroller may issue the permit to a nonprofit organization, as
22 defined by § 501(c) of the Internal Revenue Code, that meets the requirements of this
23 section.

24 **[(c)] (D)** (1) The permit authorizes the permit holder to:

25 (i) conduct a nonprofit beer, **WINE, AND LIQUOR** festival for at least
26 1 day and not more than 3 consecutive days; **[and]**

27 (ii) purchase beer, **WINE, AND LIQUOR** at wholesale to:

1 1. provide to a consumer a sample that may not exceed:

2 **A. FOR BEER, 4 fluid ounces for each offering; [and]**

3 **B. FOR WINE, 1 FLUID OUNCE FOR EACH OFFERING; AND**

4 **C. FOR LIQUOR, FOUR SAMPLES OF ONE-QUARTER OF 1**
5 **FLUID OUNCE FOR EACH OFFERING; AND**

6 2. sell to a consumer beer, **WINE, AND LIQUOR** for on- and
7 off-premises consumption; **AND**

8 **(III) CONTRACT WITH A HOLDER OF A RETAIL OFF-SITE PERMIT**
9 **TO OPERATE A SAMPLING AND SALES AREA.**

10 (2) The permit holder shall provide space at a nonprofit beer, **WINE, AND**
11 **LIQUOR** festival for holders of [brewing company] off-site permits.

12 (3) A holder of [a brewing company] **AN** off-site permit that attends a
13 nonprofit beer, **WINE, AND LIQUOR** festival may provide beer, **WINE, AND LIQUOR** to a
14 consumer in the same manner as the holder of the nonprofit beer, **WINE, AND LIQUOR**
15 festival permit.

16 (4) The permit holder may provide or sell at the nonprofit beer, **WINE, AND**
17 **LIQUOR** festival only alcoholic beverages provided by the permit holder or a holder of [a
18 brewing company] **AN** off-site permit that is in attendance.

19 [(d)] **(E)** At all times during the nonprofit beer, **WINE, AND LIQUOR** festival, the
20 permit holder shall have present at least two agents, one of whom may be the permit holder,
21 who are certified by an approved alcohol awareness program.

22 [(e)] **(F)** (1) Not less than 30 days before the nonprofit beer, **WINE, AND**
23 **LIQUOR** festival, a person shall submit an application to the Comptroller.

24 (2) The application shall:

25 (i) be on a form that the Comptroller provides;

26 (ii) state that the primary purpose of the nonprofit beer, **WINE, AND**
27 **LIQUOR** festival is to promote Maryland beer, **WINE, AND LIQUOR**;

28 (iii) provide details of the nonprofit beer, **WINE, AND LIQUOR**
29 festival, including the location, dates, and times of operation; and

30 (iv) include appropriate evidence that the applicant has been given

1 permission by the owner of the property where the nonprofit beer, **WINE, AND LIQUOR**
2 festival is to be held.

3 **[(f)] (G)** Not less than 15 days before the nonprofit beer, **WINE, AND LIQUOR**
4 festival, the permit holder shall provide the Comptroller with a list of **[brewing company]**
5 off-site permit holders that will attend.

6 **[(g)] (H)** The permit fee is:

7 **(1) \$100, TO PROMOTE A SINGLE PRODUCT CATEGORY;**

8 **(2) \$150, TO PROMOTE TWO PRODUCT CATEGORIES; AND**

9 **(3) \$200, TO PROMOTE THREE PRODUCT CATEGORIES.**

10 2-132.2.

11 (e) The permit may be used at the following events:

12 (1) the Frederick County Agricultural Fair;

13 (2) the Maryland State Agricultural Fair;

14 (3) the Montgomery County Agricultural Fair;

15 (4) the North Beach Friday Night Farmers' Market and four other farmers'
16 markets that are listed on the farmers' market directory of the Maryland Department of
17 Agriculture;

18 (5) a **NONPROFIT BEER, WINE, AND** liquor festival under § **[2-132.3]**
19 **2-131** of this subtitle; and

20 (6) not more than six other events in a year that have as the major purpose
21 of the event an activity:

22 (i) that is other than the sale and promotion of alcoholic beverages;
23 and

24 (ii) for which the participation of a distillery is a subordinate
25 activity.

26 **[2-132.3.**

27 (a) There is a liquor festival permit.

28 (b) The Comptroller may grant the permit to a nonprofit organization, as defined

1 by § 501(c) of the Internal Revenue Code, that meets the requirements of this section.

2 (c) (1) The permit authorizes the permit holder to:

3 (i) conduct a liquor festival for at least 1 day but not more than 3
4 consecutive days; and

5 (ii) purchase liquor at wholesale to:

6 1. provide to a consumer at no cost or for a fee not more than
7 four samples that do not exceed one-quarter of 1 fluid ounce for each offering; and

8 2. sell to a consumer liquor for off-premises consumption.

9 (2) The permit holder shall provide space at a liquor festival for holders of
10 distillery off-site permits.

11 (3) A holder of a distillery off-site permit that attends a liquor festival may
12 provide liquor to a consumer in the same manner as the holder of the liquor festival permit.

13 (4) (i) The permit holder may provide or sell at the liquor festival only
14 alcoholic beverages provided by the permit holder or a holder of a distillery off-site permit
15 who is in attendance.

16 (ii) A sample may be served that is blended with products
17 manufactured by a holder of a distillery off-site permit and nonalcoholic ingredients.

18 (d) At all times during the liquor festival, the permit holder shall have present at
19 least two individuals, one of whom may be the permit holder, who are certified by an
20 approved alcohol awareness program.

21 (e) (1) Not less than 30 days before the day the liquor festival is scheduled to
22 begin, an applicant for the permit shall submit a completed application to the Comptroller.

23 (2) The application shall:

24 (i) be on a form that the Comptroller provides;

25 (ii) state that the primary purpose of the liquor festival is to promote
26 Maryland liquor;

27 (iii) provide details of the liquor festival, including the location, dates,
28 and times of operation; and

29 (iv) include appropriate evidence that the applicant has been given
30 permission by the owner of the property where the liquor festival is to be held.

1 (f) Not less than 15 days before the liquor festival, the permit holder shall provide
2 the Comptroller with a list of distillery off-site permit holders that will attend.

3 (g) The permit fee is \$100.]

4 2-133.

5 (e) The permit may be used only:

6 (1) at the Montgomery County Agricultural Fair;

7 (2) at the Harford County Farm Fair;

8 (3) 1 night each week from June through November at the North Beach
9 Friday Night Farmers' Market;

10 (4) at an event that has as its major purpose an activity:

11 (i) that is other than the sale and promotion of alcoholic beverages;
12 and

13 (ii) for which the participation of a winery is a subordinate activity;

14 (5) at a farmers' market that is listed on the Farmers' Market Directory of
15 the Maryland Department of Agriculture; and

16 (6) at a **NONPROFIT BEER, wine, AND LIQUOR** festival that:

17 (i) has as its primary purpose the promotion of Maryland **BEER,**
18 wine, **AND LIQUOR**; and

19 (ii) is authorized by the Comptroller under § [2-134] **2-131** of this
20 subtitle.

21 (f) Each calendar year, a permit holder may participate in no more than:

22 (1) 32 events described in subsection (e)(4) of this section or **NONPROFIT**
23 **BEER, wine, AND LIQUOR** festivals described in § [2-134] **2-131** of this subtitle statewide;
24 and

25 (2) nine events at any single venue.

26 [2-134.

27 (a) There is a wine festival permit.

1 (b) The Comptroller may issue the permit to a nonprofit organization, as defined
2 by § 501(c) of the Internal Revenue Code, that meets the requirements of this section.

3 (c) (1) The permit authorizes the permit holder to:

4 (i) conduct a wine festival for at least 1 day but not more than 3
5 consecutive days; and

6 (ii) purchase wine at wholesale to:

7 1. provide to a consumer a sample that does not exceed 1
8 fluid ounce for each offering; and

9 2. sell to a consumer wine for on- and off-premises
10 consumption.

11 (2) The permit holder shall provide space at a wine festival for holders of
12 winery off-site permits.

13 (3) A holder of a winery off-site permit that attends a wine festival may
14 provide wine to a consumer in the same manner as the holder of the wine festival permit.

15 (4) The permit holder may provide or sell at the wine festival only alcoholic
16 beverages provided by the permit holder or a holder of a winery off-site permit that is in
17 attendance.

18 (d) At all times during the wine festival, the permit holder shall have present at
19 least two agents, one of whom may be the permit holder, who are certified by an approved
20 alcohol awareness program.

21 (e) (1) Not less than 30 days before the wine festival, a person shall submit an
22 application for the permit to the Comptroller.

23 (2) The application shall:

24 (i) be on a form that the Comptroller provides;

25 (ii) state that the primary purpose of the wine festival is to promote
26 Maryland wine;

27 (iii) provide details of the wine festival, including the location, dates,
28 and times of operation; and

29 (iv) include appropriate evidence that the applicant has been given
30 permission by the owner of the property where the wine festival is to be held.

31 (f) Not less than 15 days before the wine festival, the permit holder shall provide

1 the Comptroller with a list of winery off-site permit holders that will attend.

2 (g) The permit fee is \$100.]

3 2-136.

4 (a) There is a [farmers' market] **RETAIL OFF-SITE** permit.

5 (b) (1) The Comptroller may issue the permit to a holder of a license **ISSUED**
6 **BY A LOCAL LICENSING BOARD:**

7 (i) [other than a Class 4 limited winery license,] that allows the
8 license holder to sell alcoholic beverages to the public for off-premises consumption; and

9 [(ii) that was issued by the local licensing board of the jurisdiction in
10 which the farmers' market will be held.]

11 **(II) OTHER THAN A CHAIN STORE.**

12 (2) The holder of a permit shall notify the local licensing board of the
13 jurisdiction in which the [farmers' market] **OFF-SITE EVENT** will be held that the permit
14 has been issued.

15 (c) (1) A permit may be used only:

16 (i) at [a farmers' market that is] **NOT MORE THAN THREE**
17 **FARMERS' MARKETS IN THE JURISDICTION IN WHICH THE LOCAL LICENSE HAS BEEN**
18 **ISSUED, THAT ARE** listed in the farmers' market directory of the Maryland Department of
19 Agriculture;

20 [(ii) at the farmers' market named in the permit; and]

21 **(II) ON INVITATION BY A HOLDER OF A NONPROFIT BEER, WINE,**
22 **AND LIQUOR FESTIVAL PERMIT, AT THE LOCATION OF THE PERMIT, IF THE FESTIVAL**
23 **IS LOCATED IN THE JURISDICTION IN WHICH THE LOCAL LICENSE HAS BEEN ISSUED**
24 **OR IN AN ADJOINING JURISDICTION; AND**

25 (iii) during the hours of operation of the farmers' market [for which
26 it is obtained] **OR THE NONPROFIT BEER, WINE, AND LIQUOR FESTIVAL.**

27 (2) A permit authorizes the holder to:

28 [(i) occupy stall space at a farmers' market; and

29 (ii) subject to subsection (e) of this subsection:

1 1. offer and sell sealed containers of wine to consumers for
2 consumption off the licensed premises of the farmers' market; and]

3 **(I) AT A FARMERS' MARKET, OFFER AND SELL BEER, WINE, AND**
4 **LIQUOR PRODUCED BY STATE-LICENSED MANUFACTURERS TO CONSUMERS FOR**
5 **CONSUMPTION OFF THE LICENSED PREMISES;**

6 **(II) AT A NONPROFIT BEER, WINE, AND LIQUOR FESTIVAL,**
7 **OFFER AND SELL BEER, WINE, AND LIQUOR TO CONSUMERS FOR CONSUMPTION ON**
8 **AND OFF THE LICENSED PREMISES; AND**

9 [2.] **(III)** provide at no charge samples of:

10 **1. BEER, NOT TO EXCEED 4 FLUID OUNCES;**

11 **2. wine, not to exceed 1 fluid ounce [for each offering to**
12 **consumers for consumption on the licensed premises of the farmers' market]; AND**

13 **3. LIQUOR, NOT TO EXCEED FOUR SAMPLES THAT DO**
14 **NOT EXCEED ONE-QUARTER OF 1 FLUID OUNCE.**

15 [(d) The Comptroller may issue not more than one permit for use at each farmers'
16 market.

17 (e) All wine offered for sale or samplings by the permit holder shall be the product
18 of a Class 4 limited winery.]

19 **(D) THE FEE IS \$100.**

20 11-102.

21 This title applies only in Anne Arundel County.

22 11-1304.

23 (g) (1) The license holder may hold another license of a different class or
24 nature.

25 (2) The license holder may display and sell beer or wine at a festival
26 without holding[:

27 (i)] a nonprofit beer, **WINE, AND LIQUOR** festival permit under §
28 2-131 of this article[; or

1 (ii) a wine festival permit under § 2–134 of this article].

2 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
3 1, 2019.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.