SENATE BILL 1001

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By: Senator Beidle	y: S	y: \$	Sena	tor	Ве	eid	le
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Introduced and read first time: February 2, 2024

Assigned to: Finance

A BILL ENTITLED

1	AN ACT concerning						
2 3	Alcoholic Beverages – Class 4 Limited Winery License – Requirements and Authorizations						
4 5 6 7 8 9	the holder of a Class 4 limited winery license by basing them on agricultural products instead of grapes and other fruit; altering the standards for the purchase of certain wine by a license holder; repealing a certain authorization for a license holder to blend certain wine under certain circumstances; and generally relating to Class 4						
10 11 12 13 14	Article – Alcoholic Beverages and Cannabis Section 2–206 Annotated Code of Maryland						
15 16	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND That the Laws of Maryland read as follows:						
17	Article – Alcoholic Beverages and Cannabis						
18	2–206.						
19	(a) There is a Class 4 limited winery license.						
20	(b) (1) A license holder may:						
21 22	(i) subject to paragraph (2) of this subsection, from available Maryland agricultural products:						
23	1. ferment and bottle wine; and						



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1			2.	distill and bottle pomace brandy; and
2		(ii)	sell a	nd deliver the wine and pomace brandy to:
3			1.	a holder of a wholesaler's license;
4 5	pomace brandy;		2.	a holder of a permit that is authorized to acquire wine or
6 7	wine or pomace br	andy; (3. or	a person outside the State that is authorized to acquire
8			4.	an individual in accordance with $\S~2-219$ of this subtitle.
9	(2)	A lice	ense ho	lder:
$\begin{array}{c} 10 \\ 1 \\ 2 \end{array}$	other fruit] MARY in the production of		AGRIC	own or have under contract at least 20 acres of [grapes or CULTURAL PRODUCTS in cultivation [in the State] for use
13 14 15 16	in the annual prod	uction	der con of the	t as provided in paragraph (3) of this subsection, if less than tract, shall ensure that at least 51% of the ingredients used license holder's wine are [grapes or other fruit grown in the GRICULTURAL PRODUCTS.
17 18 19	(3) exemption to an apsubsection.	(i) oplican		Secretary of Agriculture each year may grant a 1-year the percentage requirement under paragraph (2)(ii) of this
20 21 22 23	Advisory Commiss	sion on	bparag Maryl	Secretary shall adopt regulations governing the granting of graph (i) of this paragraph, after consultation with the and Alcohol Manufacturing, the Maryland Grape Growers eries Association, and other interested parties.
24 25	(4) obtain any other li	_	_	rovided in Subtitle 3 of this title, a license holder need not ess, manufacture, sell, or transport wine or pomace brandy.
26	(5)	A lice	ense ho	lder may:
27 28	on– and off–premi	(i) ses con		vine and pomace brandy produced by the license holder for ion;
29 30	samples of wine ar	(ii) nd pom		amount not exceeding 2 fluid ounces per brand, provide andy that the license holder produces to a consumer:

at no charge; or

1.

1			2.	for a fee; and
2 3	or serve only:	(iii)	subje	ect to paragraphs (6) and (7) of this subsection, prepare, sell,
4			1.	bread and other baked goods;
5			2.	chili;
6			3.	chocolate;
7			4.	crackers;
8			5.	cured meat;
9			6.	fruits (whole and cut);
10			7.	hard and soft cheese (whole and cut);
11			8.	salads and vegetables (whole and cut);
12			9.	the following items made with Maryland wine:
13			A.	ice cream;
14			B.	jam;
15			C.	jelly; and
16			D.	vinegar;
17			10.	pizza;
18			11.	sandwiches and other light fare;
19			12.	soup; and
20			13.	condiments.
21 22	` ,	(i) ıragr		erer is not limited to preparing, selling, or serving only the (iii) of this subsection.
23	naguniawy intowast r	(ii)		ense holder or entity in which the license holder has a

pecuniary interest may not act as a caterer of food.

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- 1 (7) Subject to paragraph (8) of this subsection, a license holder may conduct 2 the activities specified in paragraph (5) of this subsection from 10 a.m. to 10 p.m. each day.
- 3 (8) Except as provided in Division II of this article, the license allows the 4 license holder to operate 7 days a week.
- 5 (9) Nothing in this subsection limits the application of relevant provisions 6 of Title 21 of the Health – General Article, and regulations adopted under that title, to a 7 license holder.
- 8 (c) The place listed on the license shall be in compliance with \$ 1-405(b) of this 9 article.
- 10 (d) A license holder may:
- 11 (1) store on its licensed premises, in a segregated area approved by the 12 Executive Director, the product of other Class 4 limited wineries to be used at Maryland 13 Wineries Association promotional activities, provided records are maintained and reports 14 filed regarding the storage under this item as may be required by the Executive Director;
- 15 (2) distill and bottle not more than 1,900 gallons of pomace brandy made 16 from available Maryland agricultural products;
- 17 (3) purchase [bulk] FINISHED wine MADE ENTIRELY OF MARYLAND
 18 AGRICULTURAL PRODUCTS fermented by a manufacturer licensed under this article [and
 19 blend the wine with the license holder's wine and pomace brandy if the aggregate purchase
 20 does not exceed 25% of the license holder's annual wine and pomace brandy production];
- 21 (4) purchase pomace brandy only for blending with wine;
- 22 (5) import, export, and transport its wine and pomace brandy in accordance 23 with this section; and
- 24 (6) produce wine and pomace brandy at a warehouse for which the license 25 holder has been issued an individual storage permit, if:
- 26 (i) the license holder does not serve or sell wine or pomace brandy 27 at a warehouse to the public; and
- 28 (ii) the Executive Director has full access at all times to the 29 warehouse to enforce this article.
- 30 (e) A Class 4 limited winery may be located only at the place stated on the license.
- 31 (f) If a license holder maintains the records and files the reports that the 32 Comptroller and the Executive Director require, the license holder may:

1 in the State, conduct winemaking and packaging activities at another (1) 2 federally bonded winery or limited winery; or 3 outside the State, conduct winemaking and packaging activities, other 4 than fermentation, at another federally bonded winery. Throughout the winemaking process, the license holder shall: 5 (g) 6 (1) maintain ownership of the wine or pomace brandy; and 7 (2)ensure that the wine or pomace brandy returns to the location of the limited winery. 8 9 The annual license fee: (h) 10 (1) shall be determined by the Executive Director; and 11 **(2)** may not exceed \$200.

12 13

1, 2024.

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