

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
Third Reader

House Bill 999 (Delegate Clippinger)  
Government, Labor, and Elections

Finance

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Alcoholic Beverages - Class 9 Limited Distillery License - Alteration

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This bill repeals the requirements that a holder of a Class 9 limited distillery license must (1) maintain only one brand at any one time for each product of brandy, rum, whiskey, alcohol, and neutral spirits that is distilled, rectified, and sold and (2) not manufacture or rectify product of any other brand for another entity. The bill also limits the holder of a Class 9 limited distillery license to manufacturing or rectifying up to 31,000 gallons of product each calendar year for any other brand or entity. **The bill takes effect July 1, 2026.**

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Fiscal Summary

**State Effect:** The bill is not anticipated to materially affect State operations or finances.

**Local Effect:** The bill is not anticipated to materially affect local government operations or finances.

**Small Business Effect:** Meaningful.

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Analysis

**Current Law:** A Class 9 Limited Distillery License may be issued by the Alcohol, Tobacco, and Cannabis Commission *only* to a holder of a Class D beer, wine, and liquor license or a holder of a Class B beer, wine, and liquor license, where sales for both on- and off-premises consumption are permitted for use on the licensed premises. The Class 9 license authorizes the license holder to establish and operate a plant in the State for distilling, rectifying, and bottling brandy, rum, whiskey, alcohol, and neutral spirits if the holder (1) maintains only one brand at any one time for each product of brandy, rum, whiskey, alcohol, and neutral spirits that is distilled, rectified, and sold and (2) does not manufacture or rectify product of any other brand for another entity.

In addition, a Class 9 license authorizes the license holder to acquire bulk alcoholic beverages from the holder of a distillery or rectifying license in the State or from the holder of a nonresident dealer permit; sell and deliver manufactured products only to a licensed wholesaler in the State or person authorized to acquire distilled spirits in another state and not to a county dispensary; and sell manufactured products at retail in a manner consistent with a Class D or Class B license.

A Class 9 license holder may not hold a wholesaler's license, except a Class 8 liquor wholesaler's license, but generally may distill, rectify, bottle, or sell up to 100,000 gallons of brandy, rum, whiskey, alcohol, and neutral spirits each calendar year. The license also authorizes the sale of up to 31,000 gallons of manufactured products at retail on the premises of the Class D or Class B license for on- and off-premises consumption each calendar year. The annual license fee is \$500.

**Small Business Effect:** Revenues for Class 9 limited distilleries that are small businesses may increase related to (1) contracts to distill of up to 31,000 gallons for smaller distilleries that may have limited capacity and (2) maintaining multiple brands for each product at the licensed premises for on- and off-premises retail sales, that would not occur, in the absence of the bill.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Alcohol, Tobacco, and Cannabis Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - February 19, 2026  
me/tso Third Reader - March 23, 2026

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Analysis by: Joanne E. Tetlow

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510