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**By: Montgomery County Delegation**

Introduced and read first time: February 1, 1996

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages - Montgomery County**  
3 **(Pub- and Micro-Breweries in Gaithersburg)**  
4 **MC 623-96**

5 FOR the purpose of permitting the holders of a Class 6 pub-brewery license in the City  
6 of Gaithersburg in Montgomery County to apply for a Class 7 micro-brewery  
7 license; requiring the licensee to enter into a written agreement with the Liquor  
8 Control Board for the County for the sale and resale of all malt beverages brewed  
9 under this license; and generally relating to alcoholic beverages inMontgomery  
10 County.

11 BY repealing and reenacting, with amendments,  
12 Article 2B - Alcoholic Beverages  
13 Section 2-207 and 2-208  
14 Annotated Code of Maryland  
15 (1994 Replacement Volume and 1995 Supplement)

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

18 **Article 2B - Alcoholic Beverages**

19 2-207.

20 (a) A Class 6 pub-brewery license shall be issued:

21 (1) By the State Comptroller;

22 (2) Only to a holder of a Class B beer, wine and liquor (on-sale) license that  
23 is issued for use on the premises of a restaurant located in the jurisdictions listed in  
24 paragraph (3) of this subsection; and

25 (3) Only in the following jurisdictions:

26 (i) Anne Arundel County;

27 (ii) Anne Arundel County - City of Annapolis;

28 (iii) Baltimore City;

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- 1 (iv) Baltimore County;
- 2 (v) The thirteenth election district of Carroll County;
- 3 (vi) Cecil County;
- 4 (vii) Charles County;
- 5 (viii) Frederick County;
- 6 (ix) Harford County;
- 7 (x) Montgomery County - City of Gaithersburg;
- 8 (xi) Washington County; and
- 9 (xii) Worcester County.

10 (b) A holder of a Class 6 pub-brewery license:

11 (1) May brew malt beverages at a single location for consumption on the  
12 restaurant premises; and

13 (2) Is limited to the brewing of 2,000 barrels of malt beverage each calendar  
14 year.

15 (c) The pub-brewery premises shall be located immediately adjacent to the  
16 restaurant where the brewed beverage is to be sold to the public.

17 (d) The Class 6 pub-brewery license is void if:

18 (1) The restaurant ceases to be operated as a restaurant; or

19 (2) The holder's Class B beer, wine and liquor (on-sale) license is revoked  
20 or transferred to a different location.

21 (e) If the holder's Class B beer, wine and liquor (on-sale) license is suspended,  
22 the Class 6 pub-brewery license shall be suspended for the same period of time.

23 (f) Except for a license transferred to a new location, a Class 6 pub-brewery  
24 license may be transferred under § 10-503 of this article if an application for transfer is  
25 filed with the local licensing board and simultaneously filed with the Office of the  
26 Comptroller.

27 (g) (1) In the City of Annapolis, Anne Arundel County, Baltimore City,  
28 Baltimore County, and Charles County, the holder of a Class 6 pub-brewery license may  
29 sell malt beverages for off-premises consumption in sealed refillable containers.

30 (2) The containers may be returned and at the time of refill shall be sealed  
31 by the pub-brewery licensee.

32 (3) A holder of a Class 6 pub-brewery license in the City of Annapolis,  
33 Anne Arundel County, Baltimore City, Baltimore County, or Charles County, may not sell  
34 malt beverages to any retail alcoholic beverages licensee in this State for the purpose of  
35 a subsequent sale or distribution of that malt beverage under the retail license.

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1 (h) In Montgomery County, within the City of Gaithersburg, a holder of a Class 6  
2 pub-brewery license shall enter into a written agreement with the Department of Liquor  
3 Control [for Montgomery County] for the sale and resale of all malt beverages brewed  
4 under this license in accordance with this article.

5 2-208.

6 (a) There is a Class 7 micro-brewery (on- and off-sale) license.

7 (b) The license shall be issued:

8 (1) By the State Comptroller;

9 (2) Only in the following jurisdictions:

10 (i) Allegany County;

11 (ii) Baltimore City;

12 (iii) Baltimore County;

13 (iv) The City of Annapolis;

14 (v) Anne Arundel County;

15 (vi) The thirteenth election district of Carroll County;

16 (vii) Charles County;

17 (viii) Dorchester County;

18 (ix) Howard County; [and]

19 (x) MONTGOMERY COUNTY - CITY OF GAITHERSBURG; AND

20 (XI) Prince George's County; and

21 (3) Only to a holder of a Class B beer, wine and liquor (on-sale) license that  
22 is issued for use on the premises of a restaurant located in a jurisdiction listed in  
23 paragraph (2) of this subsection.

24 (4) IN THE CITY OF GAITHERSBURG IN MONTGOMERY COUNTY ONLY,  
25 ONLY IF THE APPLICANT POSSESSES AT THE TIME OF THE APPLICATION A CLASS 6  
26 PUB-BREWERY LICENSE.

27 (c) (1) A holder of a Class 7 micro-brewery license:

28 (i) May brew and bottle malt beverages at a single location; and

29 (ii) May not brew more than 10,000 barrels of malt beverage each  
30 calendar year.

31 (2) In Allegany County only, the holder of a Class 7 license:

32 (i) May brew in one location and may contract for the bottling of the  
33 malt beverage in another location; and

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1 (ii) Need not meet the hotel/motel requirements for a Class B beer,  
2 wine and liquor licensee but shall meet the requirements for those Class B restaurants.

3 (d) (1) The on-sale privilege authorizes the holder to sell at retail beer brewed  
4 under this license to customers for consumption on the licensed premises.

5 (2) The off-sale privilege authorizes the holder to sell and deliver beer  
6 brewed under this license to:

7 (i) Any wholesaler licensed under this article to sell beer in this State;  
8 or

9 (ii) Any person who is located in a state other than Maryland who is  
10 authorized under the laws of that state to receive brewed beverages.

11 (3) In the City of Annapolis, Anne Arundel County, Baltimore City,  
12 Baltimore County, Charles County, Howard County, and Prince George's County only,  
13 the holder may sell at retail beer brewed under this license to customers for consumption  
14 off the licensed premises in refillable containers that are sealed by the micro-brewery  
15 licensee at the time of each refill.

16 (4) IN THE CITY OF GAITHERSBURG IN MONTGOMERY COUNTY ONLY, A  
17 HOLDER OF A CLASS 7 MICRO-BREWERY LICENSE SHALL ENTER INTO A WRITTEN  
18 AGREEMENT WITH THE DEPARTMENT OF LIQUOR CONTROL FOR THE SALE AND  
19 RESALE OF ALL MALT BEVERAGES BREWED UNDER THIS LICENSE IN ACCORDANCE  
20 WITH THIS ARTICLE.

21 (e) A holder of a Class 7 micro-brewery license:

22 (1) May not own, operate or be affiliated with any other manufacturer of  
23 beer; and

24 (2) Notwithstanding § 2-201(b) of this article, may not be granted a  
25 wholesale alcoholic beverages license.

26 (f) The hours and days for consumer sales under this license are as established  
27 for a Class B license in the respective jurisdictions listed in subsection (b)(2) of this  
28 section.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 October 1, 1996.