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**By: Delegate Barve**

Introduced and read first time: February 23, 1996

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Alcoholic Beverages - Micro-Brewery License**

3 FOR the purpose of altering the number of barrels of brewed alcoholic beverages a Class  
4 7 micro-brewery licensee may brew; restricting the amount that such a licensee may  
5 sell on the licensed premises; authorizing the licensee to brew and bottle malt  
6 beverages at a second location under certain circumstances and subject to certain  
7 restrictions; making a statement of intent; and generally relating to alcoholic  
8 beverages brewery licenses.

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

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

16 **Article 2B - Alcoholic Beverages**

17 2-208.

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

19 (b) The license shall be issued:

20 (1) By the State Comptroller;

21 (2) Only in the following jurisdictions:

22 (i) Allegany County;

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- 1 (ii) Baltimore City;
- 2 (iii) Baltimore County;
- 3 (iv) The City of Annapolis;
- 4 (v) Anne Arundel County;
- 5 (vi) The thirteenth election district of Carroll County;
- 6 (vii) Charles County;
- 7 (viii) Dorchester County;
- 8 (ix) Howard County; and
- 9 (x) Prince George's County; and

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

13 (c) (1) ~~A~~ EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS  
14 SUBSECTION, A holder of a Class 7 micro-brewery license:

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

16 (ii) May not brew more than [10,000] ~~60,000~~ 50,000 barrels of malt  
17 beverage each calendar year, WITH NO MORE THAN 4,000 BARRELS OF THAT AMOUNT  
18 AVAILABLE FOR SALE ON THE CLASS B RESTAURANT PREMISES. IT IS THE INTENT  
19 OF THIS SUBSECTION THAT CLASS 7 LICENSEES WHO WISH TO PRODUCE MORE THAN  
20 ~~60,000~~ 50,000 BARRELS PER YEAR MUST DIVEST THEMSELVES OF THEIR CLASS B  
21 LICENSES AND OBTAIN CLASS 5 MANUFACTURER'S LICENSES.

22 (2) (I) A HOLDER OF A CLASS 7 MICRO-BREWERY LICENSE MAY BREW  
23 AND BOTTLE MALT BEVERAGES AT A SECOND LOCATION ON APPROVAL OF AN  
24 APPLICATION TO THE STATE COMPTROLLER AND PAYMENT OF AN ADDITIONAL \$500  
25 FEE.

26 (II) A HOLDER UNDER THIS PARAGRAPH SHALL KEEP SEPARATE  
27 RECORDS FOR EACH BREWERY LOCATION.

28 (III) THE TOTAL QUANTITY OF MALT BEVERAGES FOR BOTH  
29 LOCATIONS MAY NOT EXCEED 50,000 BARRELS EACH CALENDAR YEAR.

30 ~~(2)~~ (3) In Allegany County only, the holder of a Class 7 license:

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

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

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

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

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

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

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

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

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

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

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

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