

HOUSE BILL 414

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2000 Regular Session
01r0001

By: **Chairman, Economic Matters Committee (Departmental - Comptroller)**
Introduced and read first time: February 3, 2000
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 14, 2000

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages - Permits - Limited Winery License and Restrictions**
3 **Upon Retail Dealers**

4 FOR the purpose of establishing a winery special event permit; establishing the fee
5 and qualifications for the winery special event permit; limiting the number of
6 winery special event permits that may be issued to a certain winery licensee in
7 a certain period of time for use in a political subdivision; specifying the
8 conditions under which a winery special event permit may be issued; specifying
9 the activities authorized by the winery special event permit; expanding the
10 activities permitted by certain winery licensees; specifying the circumstances
11 under which certain licensees may bring their manufactured product onto a
12 retail licensed premises; and generally relating to alcoholic beverages permits,
13 limited winery licenses, and restrictions upon retail winery dealers.

14 BY adding to
15 Article 2B - Alcoholic Beverages
16 Section 2-101(b)(11) and (u)
17 Annotated Code of Maryland
18 (1998 Replacement Volume and 1999 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article 2B - Alcoholic Beverages
21 Section 2-205 and 12-107
22 Annotated Code of Maryland
23 (1998 Replacement Volume and 1999 Supplement)

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

3 **Article 2B - Alcoholic Beverages**

4 2-101.

5 (b) (11) THE FEE FOR A WINERY SPECIAL EVENT PERMIT IS \$25 PER EVENT.

6 (U) (1) THE OFFICE OF THE COMPTROLLER MAY ISSUE A WINERY SPECIAL
7 EVENT PERMIT TO A LICENSED CLASS 4 MARYLAND LIMITED WINERY, PROVIDED
8 THAT:

9 (I) NO MORE THAN 12 WINERY SPECIAL EVENT PERMITS ARE
10 ISSUED TO THE CLASS 4 MARYLAND LIMITED WINERY IN ANY GIVEN CALENDAR
11 YEAR; ~~AND~~

12 (II) THE PERMIT DOES NOT EXCEED 3 CONSECUTIVE DAYS; AND

13 (III) NO MORE THAN ONE WINERY SPECIAL EVENT PERMIT IS
14 ISSUED IN ANY CALENDAR YEAR TO ANY GIVEN LIMITED WINERY FOR USE IN THE
15 SAME POLITICAL SUBDIVISION.

16 (2) THE WINERY SPECIAL EVENT PERMIT MAY ONLY BE ISSUED FOR AN
17 EVENT WHICH:

18 (I) HAS AS ITS MAJOR PURPOSE AN ACTIVITY OTHER THAN THE
19 SALE AND PROMOTION OF ALCOHOLIC BEVERAGES AND FOR WHICH THE
20 PARTICIPATION OF THE WINERY IS A SUBORDINATE ACTIVITY;

21 (II) IS ORGANIZED AND CONDUCTED BY A NONPROFIT
22 ORGANIZATION OR GOVERNMENT ENTITY;

23 (III) IS APPROVED BY THE DEPARTMENT OF AGRICULTURE AND THE
24 OFFICE OF THE COMPTROLLER; AND

25 (IV) IS HELD ON A NONLICENSED PREMISES OR A PREMISES ON
26 WHICH A PERSON MAY OBTAIN A TEMPORARY ALCOHOLIC BEVERAGES LICENSE.

27 (3) A WINERY SPECIAL EVENT PERMIT SHALL AUTHORIZE THE HOLDER
28 TO:

29 (I) PROVIDE SAMPLES NOT TO EXCEED 1 FLUID OUNCE PER BRAND
30 TO CONSUMERS;

31 (II) SELL NOT MORE THAN FOUR 750 ML BOTTLES OF WINE TO A
32 CONSUMER AT ANY GIVEN EVENT OR FESTIVAL FOR OFF-PREMISES CONSUMPTION;
33 AND

1 (III) SELL BY THE GLASS WINE PRODUCED BY THE LICENSEE TO
2 PERSONS PARTICIPATING IN ANY EVENT OR FESTIVAL AND FOR ON-PREMISES
3 CONSUMPTION.

4 (4) THE WINERY SPECIAL EVENT PERMIT APPLICATION SHALL BE FILED
5 WITH THE OFFICE OF THE COMPTROLLER NOT LESS THAN 15 DAYS PRIOR TO ANY
6 EVENT.

7 2-205.

8 (a) A Class 4 manufacturer's license:

9 (1) Is a limited winery license;

10 (2) Authorizes the holder to establish and operate in this State a plant
11 for fermenting and bottling wine made from Maryland agriculture products at the
12 location described in the license, unless the Secretary of Agriculture determines that
13 there is insufficient supply available of Maryland agriculture products; and

14 (3) Permits the license holder to:

15 (i) Sell and deliver this wine to any licensee or permit holder in
16 this State, or person outside of this State, authorized to acquire it;

17 (ii) Sell this wine made at the plant to persons participating in a
18 guided tour of the facility. The purchase is limited to one quart of each brand per
19 person per year. Any person who has attained the Maryland legal drinking age may
20 purchase the wine. The licensee may operate only in one location in the State; [and]

21 (iii) Serve at no charge not more than 6 ounces of wines made at the
22 licensed facility to a person who is participating in a guided tour of the facility,
23 provided the person has attained the Maryland legal drinking age[.];

24 (IV) SELL BY THE GLASS WINE PRODUCED BY THE LICENSEE TO
25 PERSONS PARTICIPATING IN A GUIDED TOUR OF THE FACILITY OR ATTENDING A
26 SCHEDULED PROMOTIONAL EVENT OR OTHER ORGANIZED ACTIVITY AT THE
27 LICENSED PREMISES; AND

28 (V) STORE ON ITS LICENSED PREMISES, IN A SEGREGATED AREA
29 APPROVED BY THE COMPTROLLER, THE PRODUCT OF OTHER CLASS 4 LIMITED
30 WINERIES TO BE USED AT BONA FIDE MARYLAND WINERY ASSOCIATION
31 PROMOTIONAL ACTIVITIES, PROVIDED RECORDS ARE MAINTAINED AND REPORTS
32 FILED AS MAY BE REQUIRED BY THE COMPTROLLER.

33 (b) In Frederick County the provisions regarding sales on Sundays of this
34 section are governed by § 11-511 of this article.

1 12-107.

2 (a) No retail dealer, [or] other than the holder of a Class E, Class F or Class
3 G license, shall purchase any alcoholic beverages except from a duly licensed
4 manufacturer, wholesaler, or private bulk sale permit holder under the provisions of
5 this article, and no retail dealers shall sell to any other retail dealer any alcoholic
6 beverages except to the holder of a special Class C beer, beer and wine and beer, wine
7 and liquor license, and shall not at any time keep or permit to be kept upon the
8 licensed premises any alcoholic beverages except those so purchased.

9 (b) (1) It shall be unlawful for any person to drink on the licensed premises
10 of any license holder any alcoholic beverages not purchased from the license holder on
11 said premises and not permitted by this article to be consumed on the premises; and
12 it shall be unlawful for any license holder to permit any person to drink any alcoholic
13 beverage not purchased from the said license holder on the premises covered by the
14 license which he holds and not permitted by this article to be consumed on the
15 premises.

16 (2) This subsection does not apply to special or temporary licenses in
17 Carroll County.

18 (3) This subsection does not apply to licenses issued under § 7-101(k) of
19 this article for a dance or social event:

20 (i) Advertised as being "bring your own" (BYO); or

21 (ii) Held on the premises of the licensee by a member or by a guest
22 of a member of the club, fire department, or other organization which is licensed.

23 (4) Paragraph (1) of this subsection does not apply in Howard County to
24 dances, weddings, fundraisers, or other social events held in a hall that is rented from
25 and is located on the premises of a veterans organization which is licensed under this
26 article. However, the veterans organization may not sell or otherwise provide
27 alcoholic beverages to the attendees of the dance, wedding, fundraiser, or other social
28 event.

29 (5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE,
30 PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO A CLASS 4 LIMITED
31 WINERY WHICH BRINGS WINE MANUFACTURED ON ITS LICENSED PREMISES ONTO A
32 RETAIL LICENSED PREMISES UNDER THE FOLLOWING CONDITIONS:

33 (I) THE PRODUCT IS BEING PROVIDED FOR A BONA FIDE
34 PROMOTIONAL ACTIVITY CONDUCTED BY THE LIMITED WINERY, RETAIL LICENSEE,
35 ALCOHOLIC BEVERAGES TRADE ASSOCIATION, OR NONPROFIT ORGANIZATION;

36 (II) A REPRESENTATIVE OF THE LIMITED WINERY, OR A TRADE
37 ASSOCIATION REPRESENTING MARYLAND WINERIES, IS PRESENT AT ALL TIMES
38 DURING THE PERIOD OF THE PROMOTIONAL ACTIVITY;

1 (III) ANY UNOPENED OR PARTIALLY CONSUMED CONTAINERS OF
2 WINE ARE REMOVED FROM THE RETAIL LICENSED PREMISES AT THE CONCLUSION
3 OF THE PROMOTIONAL ACTIVITY;

4 (IV) THE LIMITED WINERY OR WINERY TRADE ASSOCIATION
5 COMPLIES WITH ANY RULES OR REGULATIONS PROMULGATED BY THE
6 COMPTROLLER PERTAINING TO ON-PREMISE PROMOTIONS AND PRODUCT
7 SAMPLING; AND

8 (V) THE LIMITED WINERY OR WINERY TRADE ASSOCIATION HAS
9 THE ADVANCE WRITTEN PERMISSION OF THE RETAIL LICENSEE TO BRING WINE
10 PRODUCTS ON THE RETAIL LICENSED PREMISES FOR PURPOSES OF THE
11 PROMOTIONAL ACTIVITY.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2000.