

SENATE BILL 592

A1

8lr1333

By: **Senator Pinsky**

Introduced and read first time: February 1, 2008

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Micro-Breweries - Sales of Malt Beverages to Retail Licensees**

3 FOR the purpose of authorizing a holder of a Class 7 micro-brewery license to sell and
4 deliver malt beverages to retail licensees; limiting the yearly sales to a certain
5 number of barrels of malt beverages that are brewed and bottled at the license
6 location; and generally relating to malt beverages.

7 BY repealing and reenacting, with amendments,
8 Article 2B - Alcoholic Beverages
9 Section 2-208(c)(1)
10 Annotated Code of Maryland
11 (2005 Replacement Volume and 2007 Supplement)

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

14 **Article 2B - Alcoholic Beverages**

15 2-208.

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

17 (i) May brew and bottle malt beverages at the license location;

18 (ii) May obtain a Class 2 rectifying license for a premises
19 located within 1 mile of the existing Class 7 micro-brewery location to bottle malt
20 beverages brewed at the micro-brewery location only;

21 (iii) May contract with the holder of a Class 5 brewery license, a
22 Class 7 micro-brewery license, or a Class 2 rectifying license held under § 2-203 of

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 this subtitle or the holder of a nonresident dealer's permit to brew and bottle malt
2 beverages on their behalf;

3 (iv) May store the finished product under an individual storage
4 permit or at a licensed public storage facility for subsequent sale and delivery to a
5 licensed wholesaler, an authorized person outside this State, and for shipment back to
6 the micro-brewery location for sale on the retail premises;

7 (v) May not collectively brew, bottle, or contract for more than
8 22,500 barrels of malt beverages each calendar year; [and]

9 (vi) May enter into a temporary delivery agreement with a
10 distributor only for delivery of beer to a beer festival or wine and beer festival and the
11 return of any unused beer if:

12 1. The beer festival or wine and beer festival is in a sales
13 territory for which the holder does not have a franchise with a distributor under the
14 Beer Franchise Fair Dealing Act; and

15 2. The temporary delivery agreement is in writing; **AND**

16 **(VII) MAY SELL AND DELIVER EACH CALENDAR YEAR TO**
17 **RETAIL LICENSEES NOT MORE THAN 5,000 BARRELS OF MALT BEVERAGES THAT**
18 **ARE BREWED AND BOTTLED AT THE LICENSE LOCATION.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 June 1, 2008.