

SENATE BILL 786

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By: **Senators Madaleno, Forehand, Frosh, Pinsky, and Raskin**

Introduced and read first time: February 6, 2009

Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages - Enhanced Beer**

3 FOR the purpose of specifying that enhanced beer means alcoholic beverages with
4 certain amounts of overall alcohol content obtained from flavors and other
5 added nonbeverage ingredients containing alcohol; specifying that, for purposes
6 of sales, enhanced beer is liquor that may be sold at retail only by a certain
7 license; specifying that enhanced beer is beer for purposes of the alcoholic
8 beverages tax; altering certain definitions; defining a certain term; and
9 generally relating to alcoholic beverages.

10 BY repealing and reenacting, without amendments,
11 Article 2B – Alcoholic Beverages
12 Section 1–102(a)(1) and (2)
13 Annotated Code of Maryland
14 (2005 Replacement Volume and 2008 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article 2B – Alcoholic Beverages
17 Section 1–102(a)(3)
18 Annotated Code of Maryland
19 (2005 Replacement Volume and 2008 Supplement)

20 BY adding to
21 Article 2B – Alcoholic Beverages
22 Section 1–102.1
23 Annotated Code of Maryland
24 (2005 Replacement Volume and 2008 Supplement)

25 BY repealing and reenacting, without amendments,
26 Article – Tax – General
27 Section 5–101(a) and (b)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2004 Replacement Volume and 2008 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article – Tax – General
5 Section 5–101(d)
6 Annotated Code of Maryland
7 (2004 Replacement Volume and 2008 Supplement)

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

10 **Article 2B – Alcoholic Beverages**

11 1–102.

12 (a) (1) In this article the following words have the meanings indicated.

13 (2) (i) “Alcoholic beverages” means alcohol, brandy, whiskey, rum,
14 gin, cordial, beer, ale, porter, stout, wine, cider, and any other spirituous, vinous, malt
15 or fermented liquor, liquid, or compound, by whatever name called, which contains,
16 except as provided in subparagraph (ii) of this paragraph, one–half of one percent or
17 more of alcohol by volume, which is fit for beverage purposes.

18 (ii) “Alcoholic beverages” does not include a confectionery food
19 product that contains up to 5 percent of alcohol by volume and is regulated by the
20 Department of Health and Mental Hygiene under § 21–209 of the Health – General
21 Article.

22 (3) (i) “Beer” means any brewed alcoholic beverage.

23 (ii) “Beer” includes:

24 1. Beer;

25 2. Ale;

26 3. Porter;

27 4. Stout; **AND**

28 5. Hard cider[; and

29 6. Alcoholic beverages that contain:

30 A. 6% or less alcohol by volume, derived primarily from
31 the fermentation of grain, with not more than 49% of the beverage’s overall alcohol

1 content by volume obtained from flavors and other added nonbeverage ingredients
 2 containing alcohol; or

3 B. More than 6% alcohol by volume, derived primarily
 4 from the fermentation of grain, with not more than 1.5% of the beverage's overall
 5 alcohol content by volume obtained from flavors and other added nonbeverage
 6 ingredients containing alcohol].

7 **1-102.1.**

8 (A) IN THIS SECTION, "ENHANCED BEER" MEANS ALCOHOLIC
 9 BEVERAGES THAT CONTAIN:

10 (1) 6% OR LESS ALCOHOL BY VOLUME, DERIVED PRIMARILY
 11 FROM THE FERMENTATION OF GRAIN, WITH NOT MORE THAN 49% OF THE
 12 BEVERAGE'S OVERALL ALCOHOL CONTENT BY VOLUME OBTAINED FROM
 13 FLAVORS AND OTHER ADDED NONBEVERAGE INGREDIENTS CONTAINING
 14 ALCOHOL; OR

15 (2) MORE THAN 6% ALCOHOL BY VOLUME, DERIVED PRIMARILY
 16 FROM THE FERMENTATION OF GRAIN, WITH NOT MORE THAN 1.5% OF THE
 17 BEVERAGE'S OVERALL ALCOHOL CONTENT BY VOLUME OBTAINED FROM
 18 FLAVORS AND OTHER ADDED NONBEVERAGE INGREDIENTS CONTAINING
 19 ALCOHOL.

20 (B) FOR PURPOSES OF RETAIL SALES, ENHANCED BEER IS LIQUOR AND
 21 MAY BE SOLD AT RETAIL ONLY BY A HOLDER OF A BEER, WINE AND LIQUOR
 22 LICENSE.

23 (C) FOR PURPOSES OF THE ALCOHOLIC BEVERAGE TAX UNDER TITLE 5
 24 OF THE TAX - GENERAL ARTICLE, ENHANCED BEER IS BEER.

25 **Article - Tax - General**

26 **5-101.**

27 (a) In this title the following words have the meanings indicated.

28 (b) (1) "Alcoholic beverage" means a spirituous, vinous, malt, or
 29 fermented liquor, liquid, or compound that:

30 (i) is fit for beverage purposes; and

31 (ii) contains one-half of 1% or more of alcohol by volume.

32 (2) "Alcoholic beverage" includes:

- 1 (i) beer;
- 2 (ii) distilled spirits; and
- 3 (iii) wine.
- 4 (d) (1) "Beer" means a brewed alcoholic beverage.
- 5 (2) "Beer" includes:
- 6 (i) ale;
- 7 (ii) porter;
- 8 (iii) stout;
- 9 (iv) hard cider, as defined in § 1-102(a)(9-1) of this article; and
- 10 (v) [alcoholic beverages that contain:] **ENHANCED BEER THAT**
- 11 **CONTAINS:**

12 1. 6% or less alcohol by volume, derived primarily from

13 the fermentation of grain, with not more than 49% of the beverage's overall alcohol

14 content by volume obtained from flavors and other added nonbeverage ingredients

15 containing alcohol; or

16 2. More than 6% alcohol by volume, derived primarily

17 from the fermentation of grain, with not more than 1.5% of the beverage's overall

18 alcohol content by volume obtained from flavors and other added nonbeverage

19 ingredients containing alcohol.

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

21 October 1, 2009.