

HOUSE BILL 1431

A2

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By: **Delegates Mathias and Conway**

Introduced and read first time: February 24, 2010

Assigned to: Rules and Executive Nominations

Re-referred to: Economic Matters, March 8, 2010

Committee Report: Favorable

House action: Adopted

Read second time: March 24, 2010

CHAPTER _____

1 AN ACT concerning

2 **Worcester County – Alcoholic Beverages – Pub–Breweries and**
3 **Micro–Breweries**

4 FOR the purpose of adding Worcester County to the list of counties in which the
5 holder of a Class 6 pub–brewery license may sell malt beverages for
6 off–premises consumption under certain conditions; adding the county to the list
7 of counties in which a Class 7 micro–brewery license may be issued; adding the
8 county to the list of counties in which the licensee may sell at retail beer for
9 consumption off the licensed premises under certain conditions; and generally
10 relating to alcoholic beverages in Worcester County.

11 BY repealing and reenacting, without amendments,
12 Article 2B – Alcoholic Beverages
13 Section 2–207(a) and (b) and 2–208(a), (b)(1), and (c)
14 Annotated Code of Maryland
15 (2005 Replacement Volume and 2009 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article 2B – Alcoholic Beverages
18 Section 2–207(g) and 2–208(b)(2) and (d)
19 Annotated Code of Maryland
20 (2005 Replacement Volume and 2009 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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 2–207.

5 (a) A Class 6 pub–brewery license shall be issued:

6 (1) By the State Comptroller;

7 (2) Only to a holder of a Class B beer, wine and liquor (on–sale) license
8 that is issued for use on the premises of a restaurant located in the jurisdictions
9 permitted by this subsection;

10 (3) In the City of Annapolis; and

11 (4) Throughout the State, but not in the following subdivisions:

12 (i) Allegany County;

13 (ii) Caroline County;

14 (iii) Howard County;

15 (iv) St. Mary’s County; and

16 (v) Somerset County.

17 (b) A holder of a Class 6 pub–brewery license:

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

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

22 (g) (1) This subsection applies only in the following jurisdictions:

23 (i) City of Annapolis;

24 (ii) Anne Arundel County;

25 (iii) Baltimore City;

26 (iv) Baltimore County;

- 1 (v) Calvert County;
- 2 (vi) Charles County;
- 3 (vii) Harford County;
- 4 (viii) Prince George's County;
- 5 (ix) Talbot County; [and]
- 6 (x) Wicomico County; AND
- 7 **(XI) WORCESTER COUNTY.**

8 (2) The holder of a Class 6 pub-brewery license may sell malt
9 beverages for off-premises consumption in sealed refillable containers.

10 (3) The containers may be returned and at the time of refill shall be
11 sealed by the pub-brewery licensee.

12 (4) A holder of a Class 6 pub-brewery license may not sell malt
13 beverages to any retail alcoholic beverages licensee in this State for the purpose of a
14 subsequent sale or distribution of that malt beverage under the retail license.

15 2-208.

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

17 (b) The license shall be issued:

18 (1) By the State Comptroller;

19 (2) Only in the following jurisdictions:

20 (i) Allegany County;

21 (ii) Baltimore City;

22 (iii) Baltimore County;

23 (iv) The City of Annapolis;

24 (v) Anne Arundel County;

25 (vi) Calvert County;

26 (vii) Carroll County;

- 1 (viii) Charles County;
- 2 (ix) Dorchester County;
- 3 (x) Frederick County;
- 4 (xi) Garrett County;
- 5 (xii) Harford County;
- 6 (xiii) Howard County;
- 7 (xiv) Montgomery County;
- 8 (xv) Prince George's County;
- 9 (xvi) Talbot County; [and]
- 10 (xvii) Wicomico County; AND
- 11 **(XVIII) WORCESTER COUNTY;**
- 12 (c) (1) A holder of a Class 7 micro-brewery license:
- 13 (i) May brew and bottle malt beverages at the license location;
- 14 (ii) May obtain a Class 2 rectifying license for a premises
15 located within 1 mile of the existing Class 7 micro-brewery location to bottle malt
16 beverages brewed at the micro-brewery location only;
- 17 (iii) May contract with the holder of a Class 5 brewery license, a
18 Class 7 micro-brewery license, or a Class 2 rectifying license held under § 2-203 of
19 this subtitle or the holder of a nonresident dealer's permit to brew and bottle malt
20 beverages on their behalf;
- 21 (iv) May store the finished product under an individual storage
22 permit or at a licensed public storage facility for subsequent sale and delivery to a
23 licensed wholesaler, an authorized person outside this State, and for shipment back to
24 the micro-brewery location for sale on the retail premises;
- 25 (v) May not collectively brew, bottle, or contract for more than
26 22,500 barrels of malt beverages each calendar year; and
- 27 (vi) May enter into a temporary delivery agreement with a
28 distributor only for delivery of beer to a beer festival or wine and beer festival and the
29 return of any unused beer if:

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

4 2. The temporary delivery agreement is in writing.

5 (2) A Class 7 licensee who wishes to produce more than the barrelage
6 authorized under paragraph (1)(v) of this subsection shall divest of any Class B, D, or
7 any other retail license and obtain a Class 5 manufacturer's license.

8 (3) For the purposes of determining the barrelage limitation under
9 paragraph (1)(v) of this subsection, any salable beer produced under contractual
10 arrangements accrues only to the Class 7 micro-brewery licensee who is the brand
11 owner.

12 (4) In Allegany County only, the holder of a Class 7 license:

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

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

18 (d) (1) The on-sale privilege authorizes the holder, each calendar year, to
19 sell at retail up to 4,000 barrels of beer brewed under this license to customers for
20 consumption on the licensed premises.

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

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

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

27 (3) (i) This paragraph applies only in:

28 1. Allegany County;

29 2. The City of Annapolis;

30 3. Anne Arundel County;

31 4. Baltimore City;

- 1 5. Baltimore County;
- 2 6. Calvert County;
- 3 7. Carroll County;
- 4 8. Charles County;
- 5 9. Dorchester County;
- 6 10. Frederick County;
- 7 11. Garrett County;
- 8 12. Harford County;
- 9 13. Howard County;
- 10 14. Montgomery County;
- 11 15. Prince George’s County; [and]
- 12 16. Talbot County; AND
- 13 17. **WORCESTER COUNTY.**

14 (ii) The holder may sell at retail beer brewed under this license
 15 to customers for consumption off the licensed premises in refillable containers that are
 16 sealed by the micro–brewery licensee at the time of each refill.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 18 July 1, 2010.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.