

Chapter 542

(Senate Bill 579)

AN ACT concerning

Alcoholic Beverages – Farm Brewery Manufacturer’s License

FOR the purpose of creating a Class 8 farm brewery manufacturer’s license; specifying a certain annual fee for the license; authorizing a licensee to sell and deliver beer manufactured in a facility on the licensed farm or in another facility to certain persons; requiring that the beer be manufactured in a certain manner; requiring that a farm brewery be located only at the place stated on the license; providing that a licensee may exercise the privileges of the license, notwithstanding local law; specifying the privileges that may be exercised by a licensee, including providing samples of beer, selling certain foods, storing beer, brewing beer, bottling beer, or contracting for a certain number of barrels of beer each calendar year; specifying the times during which a licensee may exercise the privileges of the license; specifying the days of operation for a licensee; prohibiting a licensee from selling or allowing to be consumed at a certain location certain alcoholic beverages other than the beer produced by the licensee under this Act; specifying that certain provisions of law apply to a licensee; authorizing a licensee to sponsor a certain multibrewery activity at the licensed farm under certain conditions; specifying the privileges that a licensee may exercise at a multibrewery activity and the times that the activity may be held; authorizing the Office of the Comptroller to issue a special brewery promotional event permit to a licensee under certain conditions; specifying the privileges that may be exercised by the licensee at the special brewery promotional event; requiring that the beer at the special brewery promotional event be sold by the glass and for consumption on the premises only; and generally relating to Class 8 farm brewery licenses.

BY repealing and reenacting, with amendments,

Article 2B – Alcoholic Beverages

Section 2–201(a)

Annotated Code of Maryland

(2011 Replacement Volume)

BY adding to

Article 2B – Alcoholic Beverages

Section 2–209

Annotated Code of Maryland

(2011 Replacement Volume)

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

Article 2B – Alcoholic Beverages

2–201.

(a) The annual fees for manufacturer’s licenses are as follows:

Class 1	Distillery	\$ 2,000
Class 2	Rectifying	600
Class 3	Winery	750
Class 4	Limited Winery	200
Class 5	Brewery	1,500
Class 6	Pub–Brewery	500
Class 7	Micro–Brewery	500
CLASS 8	FARM BREWERY	200

2–209.

(A) (1) THERE IS A CLASS 8 FARM BREWERY LICENSE.

(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A CLASS 8 FARM BREWERY LICENSE ALLOWS THE LICENSEE TO SELL AND DELIVER BEER MANUFACTURED IN A FACILITY ON THE LICENSED FARM OR IN A FACILITY OTHER THAN ONE ON THE LICENSED FARM TO:

(I) A WHOLESALER LICENSED TO SELL AND DELIVER BEER IN THE STATE; OR

(II) A PERSON IN ANOTHER STATE AUTHORIZED TO ACQUIRE BEER.

(3) THE BEER TO BE SOLD AND DELIVERED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL BE MANUFACTURED WITH AN INGREDIENT ~~MOSTLY~~ FROM ~~AN~~ A MARYLAND AGRICULTURAL PRODUCT, INCLUDING HOPS, GRAIN, AND FRUIT, PRODUCED ON THE LICENSED FARM.

(4) A CLASS 8 FARM BREWERY MAY BE LOCATED ONLY AT THE PLACE STATED ON THE LICENSE.

(5) NOTWITHSTANDING ANY LOCAL LAW, A LICENSEE MAY EXERCISE THE PRIVILEGES OF A CLASS 8 FARM BREWERY LICENSE.

(6) A LICENSEE MAY:

(I) SELL BEER PRODUCED BY THE LICENSEE FOR CONSUMPTION ON THE LICENSED FARM;

(II) IN AN AMOUNT NOT EXCEEDING 6 FLUID OUNCES PER BRAND, PROVIDE SAMPLES OF BEER THAT THE LICENSEE PRODUCES TO A CONSUMER:

1. AT NO CHARGE; OR

2. FOR A FEE; AND

(III) SELL OR SERVE:

1. BREAD AND OTHER BAKED GOODS;

2. CHILI;

3. CHOCOLATE;

4. CRACKERS;

5. CURED MEAT;

6. FRUITS (WHOLE AND CUT);

7. SALADS AND VEGETABLES (WHOLE AND CUT);

8. HARD AND SOFT CHEESE (WHOLE AND CUT);

9. ICE CREAM;

10. JELLY;

11. JAM;

12. VINEGAR;

13. PIZZA;

14. PREPACKAGED SANDWICHES AND OTHER PREPACKAGED FOODS READY TO BE EATEN;

15. SOUP; AND**16. CONDIMENTS.**

(7) SUBJECT TO SUBSECTIONS (D) AND (E) OF THIS SECTION, A LICENSEE MAY EXERCISE THE PRIVILEGES OF THE LICENSE EACH DAY DURING THE FOLLOWING TIMES:

(I) FROM 10 A.M. TO 6 P.M., FOR CONSUMPTION OF BEER AND SALES AND SERVICE OF FOOD AT THE LICENSED FARM; AND

(II) FROM 10 A.M. TO 10 P.M., FOR:

1. SAMPLING OF BEER;

2. CONSUMPTION OF BEER OFF THE LICENSED FARM IF THE BEER IS PACKAGED IN SEALED OR RESEALABLE CONTAINERS, SUCH AS GROWLERS; AND

3. GUESTS WHO ATTEND A PLANNED PROMOTION EVENT OR OTHER ORGANIZED ACTIVITY AT THE LICENSED FARM.

(8) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, A CLASS 8 FARM BREWERY LICENSE ALLOWS THE LICENSEE TO OPERATE 7 DAYS A WEEK.

(II) IN GARRETT COUNTY, A LICENSEE MAY OPEN ON SUNDAYS DURING THE HOURS ALLOWED UNDER § 11-512(C)(3) OF THIS ARTICLE TO ENGAGE IN THE ACTIVITIES LISTED IN PARAGRAPH (3) OF THIS SUBSECTION ONLY IN AN ELECTION DISTRICT WHERE THE VOTERS, IN A REFERENDUM AUTHORIZED BY LAW, HAVE APPROVED SUNDAY SALES AT A FARM.

(9) EXCEPT AS PROVIDED UNDER SUBSECTION (D) OF THIS SECTION, A LICENSEE MAY NOT SELL OR ALLOW TO BE CONSUMED AT THE LOCATION OF THE FARM BREWERY ANY ALCOHOLIC BEVERAGE OTHER THAN THE BEER PRODUCED BY THE LICENSEE UNDER THE AUTHORITY OF THIS SECTION.

(10) NOTHING IN THIS SUBSECTION LIMITS THE APPLICATION OF RELEVANT PROVISIONS OF TITLE 21 OF THE HEALTH – GENERAL ARTICLE, AND REGULATIONS ADOPTED UNDER THAT TITLE, TO A LICENSEE.

(B) THE PLACE LISTED ON THE CLASS 8 FARM BREWERY LICENSE SHALL BE IN COMPLIANCE WITH § 9-103 OF THIS ARTICLE.

(C) A LICENSEE MAY:

(1) STORE ON ITS LICENSED FARM, IN A SEGREGATED AREA APPROVED BY THE COMPTROLLER, BEER PRODUCED AT THE LICENSED FARM FOR SALE AND DELIVERY TO A WHOLESALER LICENSED IN THE STATE OR A PERSON OUTSIDE OF THE STATE AUTHORIZED TO ACQUIRE THE BEER;

(2) BREW, BOTTLE, OR CONTRACT FOR NOT MORE THAN 15,000 BARRELS OF BEER EACH CALENDAR YEAR;

(3) CONTRACT WITH THE HOLDER OF A CLASS 5 BREWERY LICENSE OR A CLASS 2 RECTIFYING LICENSE TO BREW AND BOTTLE BEER FROM INGREDIENTS PRODUCED ON THE LICENSED FARM;

(4) IMPORT, EXPORT, AND TRANSPORT ITS BEER IN ACCORDANCE WITH THIS SECTION; AND

(5) STORE BEER AT A WAREHOUSE FOR WHICH THE LICENSEE HAS BEEN ISSUED AN INDIVIDUAL STORAGE PERMIT, FOR SALE AND DELIVERY TO A WHOLESALER LICENSED IN THE STATE OR A PERSON OUTSIDE OF THE STATE AUTHORIZED TO ACQUIRE THE BEER, OR SHIPMENT BACK TO THE LICENSED FARM, IF:

(I) THE LICENSEE DOES NOT SERVE OR SELL BEER AT THE WAREHOUSE; AND

(II) THE COMPTROLLER HAS FULL ACCESS AT ALL TIMES TO THE WAREHOUSE TO ENFORCE THIS ARTICLE.

(D) (1) A LICENSEE MAY SPONSOR A MULTIBREWERY ACTIVITY AT THE LICENSED FARM THAT:

(I) INCLUDES THE PRODUCTS OF OTHER MARYLAND BREWERIES; AND

(II) PROVIDES FOR THE SALE OF BEER BY THE GLASS FOR CONSUMPTION ON THE PREMISES ONLY.

(2) IN A SEGREGATED AREA APPROVED BY THE COMPTROLLER ON THE LICENSED FARM, A LICENSEE MAY STORE THE PRODUCTS OF OTHER MARYLAND BREWERIES FOR THE MULTIBREWERY ACTIVITY.

(3) THE MULTIBREWERY ACTIVITY:

- (I) MAY BE HELD FROM 10 A.M. TO 10 P.M. EACH DAY; AND**
- (II) MAY NOT EXCEED 3 CONSECUTIVE DAYS.**

(E) (1) THE OFFICE OF THE COMPTROLLER MAY ISSUE A SPECIAL BREWERY PROMOTIONAL EVENT PERMIT TO A LICENSEE.

(2) AT LEAST 15 DAYS BEFORE HOLDING A PLANNED PROMOTIONAL EVENT, THE LICENSEE SHALL OBTAIN A PERMIT FROM THE COMPTROLLER BY FILING A NOTICE OF THE PROMOTIONAL EVENT ON THE FORM THAT THE COMPTROLLER PROVIDES.

(3) THE PERMIT AUTHORIZES THE LICENSEE TO CONDUCT AT THE LICENSED FARM A PROMOTIONAL EVENT AT WHICH THE LICENSEE MAY:

(I) PROVIDE SAMPLES OF NOT MORE THAN 6 FLUID OUNCES PER BRAND TO CONSUMERS; AND

(II) SELL BEER PRODUCED BY THE LICENSEE TO PERSONS WHO PARTICIPATE IN THE EVENT.

(4) THE BEER AT THE EVENT SHALL BE SOLD BY THE GLASS AND FOR CONSUMPTION ON THE PREMISES ONLY.

(5) THE LICENSEE MAY NOT BE ISSUED MORE THAN 12 PERMITS IN A CALENDAR YEAR.

(6) A SINGLE PROMOTIONAL EVENT:

- (I) MAY BE HELD FROM 10 A.M. TO 10 P.M. EACH DAY; AND**
- (II) MAY NOT EXCEED 3 CONSECUTIVE DAYS.**

(7) THE PERMIT FEE IS \$25 PER EVENT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2012.

Approved by the Governor, May 22, 2012.