

HOUSE BILL 704

A1

3lr2930
CF 3lr1972

By: **Delegate Haddaway–Riccio**

Introduced and read first time: February 4, 2013

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Micro–Breweries – Annual Production Limit**

3 FOR the purpose of raising the limit on the number of barrels of malt beverages that a
4 micro–brewery may collectively brew, bottle, or contract for in a calendar year;
5 and generally relating to micro–breweries.

6 BY repealing and reenacting, with amendments,
7 Article 2B – Alcoholic Beverages
8 Section 2–208(c)(1)
9 Annotated Code of Maryland
10 (2011 Replacement Volume and 2012 Supplement)

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

13 **Article 2B – Alcoholic Beverages**

14 2–208.

15 (c) (1) A holder of a Class 7 micro–brewery license:

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

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

20 (iii) May contract with the holder of a Class 5 brewery license, a
21 Class 7 micro–brewery license, or a Class 2 rectifying license held under § 2–203 of
22 this subtitle or the holder of a nonresident dealer’s permit to brew and bottle malt
23 beverages on their behalf;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

5 (v) May not collectively brew, bottle, or contract for more than
6 [22,500] **60,000** barrels of malt beverages each calendar year; and

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

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

13 2. The temporary delivery agreement is in writing.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 July 1, 2013.