

# HOUSE BILL 526

A1

(5lr2167)

## ENROLLED BILL

— Economic Matters/Education, Health, and Environmental Affairs —

Introduced by **Delegate Barkley**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Alcoholic Beverages – Brewing Company Off-Site Permit and *Nonprofit* Beer**  
3 **Festival Permit**

4 FOR the purpose of requiring ~~the Office of the Comptroller~~ *certain licensing boards* to  
5 collect a fee for a beer festival permit; authorizing the Comptroller to issue a brewing  
6 company off-site permit to certain persons who meet certain requirements;  
7 establishing that certain holders of a brewing company off-site permit may use the  
8 permit for certain activities during certain events; establishing a *nonprofit* beer  
9 festival permit to be issued by ~~the Comptroller~~ *certain licensing boards*; authorizing  
10 ~~the Comptroller~~ *certain licensing boards* to issue a *nonprofit* beer festival permit to  
11 certain persons who meet certain requirements, provided that the *nonprofit* beer  
12 festival will occur over a certain period of time; authorizing a *nonprofit* beer festival  
13 permit holder to purchase beer at wholesale to provide and sell beer for certain  
14 purposes under certain circumstances; requiring a *nonprofit* beer festival permit  
15 holder to provide space at the *nonprofit* beer festival for holders of brewing company

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#### 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.

*Italics* indicate opposite chamber/conference committee amendments.



1 off-site permits; authorizing a brewing company off-site permit holder to provide  
 2 and sell beer in the same manner as a *nonprofit* beer festival permit holder under  
 3 certain circumstances; authorizing a *nonprofit* beer festival permit holder to provide  
 4 or sell at the *nonprofit* beer festival only certain alcoholic beverages; requiring a  
 5 *nonprofit* beer festival permit holder to have certain agents present during a certain  
 6 event; requiring an applicant for a *nonprofit* beer festival permit to submit a certain  
 7 application form provided by the Comptroller within a certain period of time before  
 8 the proposed event and pay a certain fee to obtain a permit; specifying the contents  
 9 of an application for a *nonprofit* beer festival permit; requiring a *nonprofit* beer  
 10 festival permit holder to provide ~~the Comptroller~~ *certain licensing boards* with a list  
 11 of brewing company off-site permit holders that will attend a certain *nonprofit* beer  
 12 festival within a certain period of time before the event; defining a certain term;  
 13 making a technical change; and generally relating to the brewing company off-site  
 14 permits and *nonprofit* beer festival permits.

15 ~~BY repealing and reenacting, without amendments,~~  
 16 ~~Article 2B – Alcoholic Beverages~~  
 17 ~~Section 2–101(a)~~  
 18 ~~Annotated Code of Maryland~~  
 19 ~~(2011 Replacement Volume and 2014 Supplement)~~

20 BY repealing and reenacting, with amendments,  
 21 Article 2B – Alcoholic Beverages  
 22 Section ~~2–101(b)~~ and 2–105  
 23 Annotated Code of Maryland  
 24 (2011 Replacement Volume and 2014 Supplement)

25 BY adding to  
 26 Article 2B – Alcoholic Beverages  
 27 Section 2–106  
 28 Annotated Code of Maryland  
 29 (2011 Replacement Volume and 2014 Supplement)

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

### 32 Article 2B – Alcoholic Beverages

33 ~~2–101.~~

34 ~~(a) The Office of the Comptroller shall provide application forms for the permits~~  
 35 ~~listed in this section and applicants shall make application to the Office of the Comptroller.~~  
 36 ~~The procedure in issuing permits, the purchase of alcoholic beverages, and the exercise of~~  
 37 ~~the privileges granted under the various permits shall be subject to regulations~~  
 38 ~~promulgated by the Office of the Comptroller. The Office of the Comptroller may cancel,~~  
 39 ~~restrict, suspend, or revoke any permit.~~

1           ~~(b) (1) (i) The Office of the Comptroller shall collect a fee for the issuance~~  
2 ~~or renewal of the following permits:~~

3                           ~~1.     \$50 for a solicitor's permit, an individual storage permit, a~~  
4 ~~nonresident winery permit, or a commercial nonbeverage permit;~~

5                           ~~2.     \$75 for a public storage permit, a public transportation~~  
6 ~~permit, or an import and export permit;~~

7                           ~~3.     \$200 for a public storage and transportation permit, a~~  
8 ~~nonresident dealer's permit, a resident dealer's permit, or a bulk transfer permit;~~

9                           ~~4.     \$400 for a family beer and wine facility permit;~~

10                          ~~5.     \$200 for issuance or renewal of a direct wine shipper's~~  
11 ~~permit;~~

12                          ~~6.     \$100 for a common carrier permit;~~

13                          ~~7.     \$100 for a winery off-site permit;~~

14                          ~~8.     \$100 for a wine festival permit; [and]~~

15                          ~~9.     \$100 for a brewing company off-site permit; AND~~

16                          ~~10.    \$100 FOR A BEER FESTIVAL PERMIT.~~

17                          ~~(ii) The Office of the Comptroller shall issue a nonbeverage permit~~  
18 ~~without the payment of any fee for an eleemosynary or a fuel alcohol permittee.~~

19                          ~~(2) (i) The permits issued pursuant to this section expire on October 31~~  
20 ~~following the date of their issue unless otherwise provided.~~

21                          ~~(ii) All nonbeverage permits do not expire until canceled or revoked.~~

22                          ~~(3) The fee for a change of domicile permit is \$5, and when issued shall~~  
23 ~~cover only a specific transaction.~~

24                          ~~(4) The fee for an individual transportation permit is \$10.~~

25                          ~~(5) A bulk transfer permit shall cover only a specific transaction and shall~~  
26 ~~expire 10 days from the date of its issue. If the time restriction of this permit would be an~~  
27 ~~undue burden, the Office of the Comptroller may grant a reasonable extension of time.~~

28                          ~~(6) (i) The Office of the Comptroller shall prescribe a means of~~  
29 ~~identification for each vehicle authorized under an individual transportation permit or a~~

~~transportation or public storage and transportation permit. The identification shall be kept in or on the vehicle at all times when alcoholic beverages are being transported.~~

~~(ii) The fee for the identification is \$10 for each vehicle.~~

~~(7) The fee for a national family beer and wine exhibition permit is \$50.~~

~~(8) The fee for the nonresident storage permit is \$500.~~

~~(9) (i) The fee for an alcohol awareness program instructor's permit is \$5.~~

~~(ii) The fee for an alcohol awareness program permit is \$15.~~

~~(10) The fee for a private bulk sale permit is \$25 and shall cover the sale of a specific inventory of alcoholic beverages. The permit shall expire 60 days from the date of issuance. An individual or entity may be issued not more than two private bulk sale permits in any calendar year.~~

2-105.

(a) IN THIS SECTION, "LIMITED PERMIT HOLDER" MEANS A PERSON WHO HOLDS A BREWING COMPANY OFF-SITE PERMIT AND ALSO HOLDS A MANUFACTURER'S LICENSE FOR:

(1) A CLASS 5 BREWERY THAT PRODUCES LESS THAN 3,000 BARRELS A YEAR;

(2) A CLASS 7 MICRO-BREWERY THAT PRODUCES LESS THAN 3,000 BARRELS A YEAR; OR

(3) A CLASS 8 FARM BREWERY.

(B) There is a brewing company off-site permit.

~~(C)~~ (C) The Office of the Comptroller may issue the permit to [a]:

~~(1) A CLASS 5 BREWERY THAT MEETS THE REQUIREMENTS OF THIS SECTION;~~

~~(2) A Class 7 micro-brewery that produces less than 3,000 barrels per year [or a]; OR~~

~~(3) A Class 8 farm brewery that meets the requirements of this section.~~

1 ~~(D)~~ (D) During an event listed in subsection ~~(F)~~ (F) of this section, ~~the~~ A LIMITED  
2 permit holder may:

3 (1) Provide to a consumer a sample that has been produced by the LIMITED  
4 permit holder and that may not exceed 1 fluid ounce for each brand;

5 (2) Sell to a consumer up to 288 ounces of beer that has been produced by  
6 the LIMITED permit holder for off-premises consumption; and

7 (3) Except for farmers' markets listed in subsection ~~(F)~~ (F) of this section,  
8 sell to a consumer up to 288 ounces of beer that is produced by the LIMITED permit holder  
9 for on- and off-premises consumption.

10 ~~(E)~~ (E) While selling beer or providing samples at a farmers' market as  
11 provided in subsection ~~(F)~~ (F) of this section, a LIMITED permit holder shall have an agent  
12 present who is certified by an approved alcohol awareness program.

13 ~~(F)~~ (F) ~~The~~ EXCEPT AS OTHERWISE AUTHORIZED UNDER SUBSECTION (G)  
14 OF THIS SECTION, A LIMITED PERMIT HOLDER MAY USE THE brewing company off-site  
15 permit ~~may be used~~ only:

16 (1) During the Montgomery County Agricultural Fair;

17 (2) During the Maryland State Agricultural Fair;

18 (3) During the Frederick County Agricultural Fair;

19 (4) One night each week from June through November at the North Beach  
20 Friday Night Farmers' Market;

21 (5) For up to seven events, at an event that has as its major purpose an  
22 activity:

23 (i) That is other than the sale and promotion of alcoholic beverages;  
24 and

25 (ii) For which the participation of a brewing company is a  
26 subordinate activity; AND

27 (6) At other farmers' markets that are listed on the Farmers' Market  
28 Directory of the Maryland Department of Agriculture; ~~and.~~

29 ~~(G)~~ (G) ~~At~~ A PERSON THAT HOLDS A BREWING COMPANY  
30 OFF-SITE PERMIT MAY USE THE PERMIT AT a NONPROFIT beer festival that:

31 (i) Has as its primary purpose the promotion of Maryland beer; and

1 (ii) Is authorized by ~~the Office of the Comptroller~~ A LOCAL  
 2 LICENSING BOARD under [§ 22-103] **§ 2-106** of this subtitle.

3 ~~(H)~~ **(H)** The term of a brewing company off-site permit is 1 year.

4 ~~(I)~~ **(I)** An applicant shall:

5 (1) Submit to the Office of the Comptroller a completed application on a  
 6 form that the Office of the Comptroller provides; and

7 (2) Pay a fee of \$100 for the brewing company off-site permit.

8 ~~(J)~~ **(J)** (1) No later than the 20th day of the month preceding the off-site event,  
 9 the permit holder shall notify the Office of the Comptroller of the permit holder's intention  
 10 to attend an off-site event.

11 (2) The notice shall be on a form that the Office of the Comptroller provides.

12 ~~(K)~~ **(K)** The Comptroller may adopt regulations to require the permit holder to  
 13 notify the board of license commissioners in the county where the event is being held of the  
 14 permit holder's intention to attend an off-site event.

15 **2-106.**

16 **(A) THERE IS A NONPROFIT BEER FESTIVAL PERMIT.**

17 **(B) (1) AN APPLICANT FOR A NONPROFIT BEER FESTIVAL PERMIT SHALL**  
 18 **BE A NONPROFIT ORGANIZATION, AS DEFINED BY § 501(C) OF THE INTERNAL**  
 19 **REVENUE CODE.**

20 **(2) ~~THE OFFICE OF THE COMPTROLLER~~ A LOCAL LICENSING BOARD**  
 21 **MAY ISSUE THE PERMIT TO A NONPROFIT ORGANIZATION THAT MEETS THE**  
 22 **REQUIREMENTS OF THIS SECTION.**

23 **(3) A PERMIT AUTHORIZES THE PERMIT HOLDER TO CONDUCT A**  
 24 **NONPROFIT BEER FESTIVAL FOR AT LEAST 1 DAY AND NOT MORE THAN 3**  
 25 **CONSECUTIVE DAYS.**

26 **(C) (1) THE PERMIT HOLDER MAY PURCHASE BEER AT WHOLESALE TO:**

27 **(I) PROVIDE TO A CONSUMER A SAMPLE THAT MAY NOT**  
 28 **EXCEED 1 FLUID OUNCE FOR EACH BRAND; AND**

1 (II) SELL TO A CONSUMER BEER FOR ON- AND OFF-PREMISES  
2 CONSUMPTION.

3 (2) THE PERMIT HOLDER SHALL PROVIDE SPACE AT A NONPROFIT  
4 BEER FESTIVAL FOR HOLDERS OF BREWING COMPANY OFF-SITE PERMITS.

5 (3) A HOLDER OF A BREWING COMPANY OFF-SITE PERMIT THAT  
6 ATTENDS A NONPROFIT BEER FESTIVAL MAY PROVIDE BEER TO A CONSUMER IN THE  
7 SAME MANNER AS THE HOLDER OF THE NONPROFIT BEER FESTIVAL PERMIT.

8 (4) THE PERMIT HOLDER MAY PROVIDE OR SELL AT THE NONPROFIT  
9 BEER FESTIVAL ONLY ALCOHOLIC BEVERAGES PROVIDED BY THE PERMIT HOLDER  
10 OR A HOLDER OF A BREWING COMPANY OFF-SITE PERMIT THAT IS IN ATTENDANCE.

11 (D) AT ALL TIMES DURING THE NONPROFIT BEER FESTIVAL, THE PERMIT  
12 HOLDER SHALL HAVE PRESENT AT LEAST TWO AGENTS, ONE OF WHOM MAY BE THE  
13 PERMIT HOLDER, WHO ARE CERTIFIED BY AN APPROVED ALCOHOL AWARENESS  
14 PROGRAM.

15 (E) AN APPLICANT FOR A NONPROFIT BEER FESTIVAL PERMIT SHALL:

16 (1) NO LESS THAN 30 DAYS BEFORE THE PROPOSED EVENT, SUBMIT  
17 TO THE ~~OFFICE OF THE COMPTROLLER~~ LOCAL LICENSING BOARD A COMPLETED  
18 APPLICATION ON A FORM THAT THE OFFICE OF THE COMPTROLLER PROVIDES  
19 THAT:

20 (I) STATES THAT THE PRIMARY PURPOSE OF THE NONPROFIT  
21 BEER FESTIVAL IS TO PROMOTE MARYLAND BEER;

22 (II) PROVIDES DETAILS OF THE NONPROFIT BEER FESTIVAL,  
23 INCLUDING THE LOCATION, DATES, AND TIMES OF OPERATION; AND

24 (III) INCLUDES APPROPRIATE EVIDENCE THAT THE OWNER OF  
25 THE PROPERTY IN WHICH THE NONPROFIT BEER FESTIVAL MAY BE HELD HAS GIVEN  
26 PERMISSION TO THE APPLICANT TO HAVE THE NONPROFIT BEER FESTIVAL ON ITS  
27 PREMISES; AND

28 (2) PAY A FEE OF \$100 FOR THE NONPROFIT BEER FESTIVAL PERMIT  
29 TO THE LOCAL LICENSING BOARD.

30 (F) NO LESS THAN 15 DAYS BEFORE THE NONPROFIT BEER FESTIVAL, THE  
31 PERMIT HOLDER SHALL PROVIDE THE ~~OFFICE OF THE COMPTROLLER~~ LOCAL  
32 LICENSING BOARD WITH A LIST OF BREWING COMPANY OFF-SITE PERMIT HOLDERS  
33 THAT WILL ATTEND.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
2 1, 2015.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.