

# HOUSE BILL 1071

A2

6lr2933  
CF SB 958

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By: **Cecil County Delegation**

Introduced and read first time: February 11, 2016

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Cecil County – Alcoholic Beverages – Class 9 Limited Distillery Licenses and**  
3 **Class 7 Micro-Brewery Licenses**

4 FOR the purpose of authorizing a Class 9 limited distillery license and a Class 7  
5 micro-brewery license to be issued in Cecil County; authorizing a Class 9 limited  
6 distillery license to be issued to a holder of a Class B beer, wine, and liquor license  
7 as well as a Class D beer, wine, and liquor license under certain circumstances;  
8 providing that a certain Class 9 limited distillery license holder who is also a Class  
9 B beer, wine, and liquor license holder may sell certain products in a certain manner  
10 and may not sell at retail more than a certain number of gallons on a certain  
11 premises each year; requiring a Class 9 limited distillery license holder who is also  
12 a Class B beer, wine, and liquor license holder to divest itself of a certain license and  
13 obtain a certain license if the license holder distills more than a certain number of  
14 gallons of product each year; authorizing a Class 7 micro-brewery license to be  
15 issued to a holder of a Class B beer, wine, and liquor license or a Class D beer, wine,  
16 and liquor license under certain circumstances; establishing that for a holder of a  
17 Class D beer, wine, and liquor license who also holds a Class 7 micro-brewery  
18 license, the hours and days of sale for the Class 7 micro-brewery license are those  
19 established for a Class D beer, wine, and liquor license; and generally relating to the  
20 issuance of Class 9 limited distillery licenses and Class 7 micro-brewery licenses in  
21 Cecil County.

22 BY repealing and reenacting, without amendments,

23 Article – Alcoholic Beverages

24 Section 17–102

25 Annotated Code of Maryland

26 (As enacted by Chapter \_\_\_\_ (S.B. \_\_\_\_)(6lr1406) of the Acts of the General  
27 Assembly of 2016)

28 BY repealing and reenacting, with amendments,

29 Article – Alcoholic Beverages

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Section 17-401  
Annotated Code of Maryland  
(As enacted by Chapter \_\_\_\_ (S.B. \_\_\_\_)(6lr1406) of the Acts of the General  
Assembly of 2016)

BY adding to

## Article – Alcoholic Beverages

### Section 17-403 and 17-404

## Annotated Code of Maryland

(As enacted by Chapter \_\_\_\_ (S.B. \_\_\_\_)(6lr1406) of the Acts of the General Assembly of 2016)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That the Laws of Maryland read as follows:

## Article – Alcoholic Beverages

14 17-102.

This title applies only in Cecil County.

16 17-401.

17 (a) The following sections of Title 2, Subtitle 2 ("Manufacturer's Licenses") of  
18 Division I of this article apply in the County without exception or variation:

(1) § 2-201 (“Issuance by Comptroller”);

(2) § 2-202 (“Class 1 distillery license”);

(3) § 2–204 (“Class 2 rectifying license”);

(4) § 2-205 (“Class 3 winery license”);

(5) § 2-206 (“Class 4 limited winery license”);

(6) § 2–207 (“Class 5 brewery license”);

(7) § 2-208 (“Class 6 pub–brewery license”);

(8) § 2-210 (“Class 8 farm brewery license”)

(9) § 2-211 (“Residency requirement”);

(10) § 2-212 (“Additional licenses”);

(11) § 2-213 (“Additional fees”);

- 1 (12) § 2–214 (“Sale or delivery restricted”);
- 2 (13) § 2–215 (“Beer sale on credit to retail dealer prohibited”);
- 3 (14) § 2–216 (“Interaction between manufacturing entities and retailers”);
- 4 (15) § 2–217 (“Distribution of alcoholic beverages — Prohibited practices”);
- 5 and
- 6 (16) § 2–218 (“Restrictive agreements between producers and retailers
- 7 — Prohibited”).

8 (b) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of  
9 Division I of this article [do not] apply in the County:

10 (1) § 2–203 (“Class 9 limited distillery license”), SUBJECT TO **§ 17–403 OF**  
11 **THIS SUBTITLE**; and

12 (2) § 2–209 (“Class 7 micro–brewery license”), SUBJECT TO **§ 17–404 OF**  
13 **THIS SUBTITLE**.

14 **17–403.**

15 (A) **A CLASS 9 LIMITED DISTILLERY LICENSE MAY BE ISSUED TO A HOLDER**  
16 **OF A CLASS B BEER, WINE, AND LIQUOR LICENSE OR A CLASS D BEER, WINE, AND**  
17 **LIQUOR LICENSE IF THE LICENSE OF THE HOLDER AUTHORIZES CONSUMPTION ON**  
18 **AND OFF THE LICENSED PREMISES.**

19 (B) **A HOLDER OF A CLASS 9 LIMITED DISTILLERY LICENSE AND A CLASS B**  
20 **BEER, WINE, AND LIQUOR LICENSE:**

21 (1) **MAY SELL THE PRODUCTS MANUFACTURED UNDER THE CLASS 9**  
22 **LIMITED DISTILLERY LICENSE AT RETAIL IN A MANNER CONSISTENT WITH THE**  
23 **UNDERLYING CLASS B LICENSE; AND**

24 (2) **MAY NOT SELL AT RETAIL ON THE PREMISES OF THE CLASS B**  
25 **LICENSE, FOR ON- OR OFF-SALE CONSUMPTION, MORE THAN 15,500 GALLONS OF**  
26 **THE PRODUCTS MANUFACTURED UNDER THE CLASS 9 LIMITED DISTILLERY**  
27 **LICENSE EACH CALENDAR YEAR.**

28 (C) **A HOLDER OF A CLASS 9 LIMITED DISTILLERY LICENSE AND A CLASS B**  
29 **BEER, WINE, AND LIQUOR LICENSE THAT DISTILLS MORE THAN THE GALLONAGE**  
30 **SPECIFIED IN § 2–203(D)(3) OF THIS ARTICLE SHALL DIVEST ITSELF OF ANY CLASS**  
31 **B RETAIL LICENSE AND OBTAIN A CLASS 1 MANUFACTURER’S LICENSE.**

1 17-404.

2 (A) A CLASS 7 MICRO-BREWERY LICENSE MAY BE ISSUED TO THE HOLDER  
3 OF:

4 (1) A CLASS B BEER, WINE, AND LIQUOR (ON-SALE) LICENSE, FOR  
5 USE ON THE PREMISES OF THE RESTAURANT FOR WHICH THE CLASS B LICENSE WAS  
6 ISSUED; OR

7 (2) A CLASS D BEER, WINE, AND LIQUOR LICENSE, FOR USE ON THE  
8 PREMISES FOR WHICH THE CLASS D LICENSE WAS ISSUED.

9 (B) THE HOURS AND DAYS OF SALE FOR THE CLASS 7 MICRO-BREWERY  
10 LICENSE ARE THOSE ESTABLISHED FOR A CLASS D LICENSE.

11 (C) FOR THE HOLDER OF A CLASS D BEER, WINE, AND LIQUOR LICENSE  
12 THAT ALSO HOLDS A CLASS 7 MICRO-BREWERY LICENSE, THE BOARD MAY  
13 DETERMINE THE REQUIRED RATIO OF GROSS RECEIPTS FROM THE SALE OF FOOD  
14 TO THE GROSS RECEIPTS FROM THE SALE OF ALCOHOLIC BEVERAGES.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
16 1, 2016.