

HOUSE BILL 1239

A1
HB 560/15 – ECM

6lr3141

By: **Delegate Barkley**
Introduced and read first time: February 12, 2016
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Class 5 Brewery License – On-Premises Consumption**

3 FOR the purpose of altering the total amount of beer that a holder of a Class 5 brewery
4 license may sell each year for on-premises consumption under certain
5 circumstances; and generally relating to alcoholic beverages in the State.

6 BY repealing and reenacting, with amendments,

7 Article – Alcoholic Beverages

8 Section 2–207

9 Annotated Code of Maryland

10 (As enacted by Chapter ____ (S.B. ____)(6lr1406) of the Acts of the General
11 Assembly of 2016)

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

14 **Article – Alcoholic Beverages**

15 2–207.

16 (a) There is a Class 5 brewery license.

17 (b) A license holder may:

18 (1) establish and operate a plant for brewing and bottling malt beverages
19 at the location described in the license;

20 (2) import beer from a holder of a nonresident dealer’s permit;

21 (3) sell and deliver beer to:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) a holder of a wholesaler's license that is authorized to acquire
2 beer; or

3 (ii) a person outside of the State that is authorized to acquire beer;

4 (4) serve, at no charge, not more than six samples of beer brewed at the
5 brewery, with each sample consisting of not more than 3 ounces from a single style of beer,
6 to an individual who:

7 (i) has attained the legal drinking age; and

8 (ii) is participating in a guided tour of the brewery or attends a
9 scheduled promotional event or other organized activity at the brewery;

10 (5) subject to subsection (c) of this section, sell beer brewed at the brewery
11 for off-premises consumption at retail to an individual participating in a guided tour of the
12 brewery or attending a scheduled promotional event or other organized activity at the
13 brewery; and

14 (6) subject to subsection (e) of this section, sell beer brewed at the location
15 described in the license for on-premises consumption.

16 (c) An individual may purchase beer under subsection (b)(5) of this section if the
17 individual:

18 (1) purchases not more than 288 ounces of beer; and

19 (2) has attained the legal drinking age.

20 (d) The annual license fee is \$1,500.

21 (e) (1) A local licensing board shall grant an on-site consumption permit to an
22 applicant that holds a Class 5 brewery license and, subject to paragraph (3) of this
23 subsection, a Class D beer license.

24 (2) (i) An on-site consumption permit entitles the holder to sell beer
25 brewed at the brewery for on-premises consumption to an individual who has attained the
26 legal drinking age.

27 (ii) The total amount of beer sold each year for on-premises
28 consumption under this paragraph may not exceed ~~[500]~~ **1,500** barrels.

29 (3) Before a local licensing board that does not issue a Class D beer license
30 may grant an on-site consumption permit, the local licensing board shall:

31 (i) establish an equivalent license; and

1 (ii) require the applicant to obtain that equivalent license.

2 (4) A local licensing board may:

3 (i) charge a fee for granting an on-site consumption permit; and

4 (ii) require that the holder of the permit or an employee designated
5 by the holder comply with the alcohol awareness training requirements under § 4-505 of
6 this article.

7 (f) (1) The Comptroller may issue a brewery promotional event permit to a
8 holder of a Class 5 brewery license.

9 (2) The permit authorizes the holder to conduct on the premises of the
10 brewery a promotional event at which the holder may:

11 (i) provide samples of not more than 3 fluid ounces per brand to
12 consumers; and

13 (ii) sell beer produced by the holder to individuals who participate in
14 the event.

15 (3) The beer at the event shall be sold by the glass for on-premises
16 consumption only.

17 (4) To obtain a permit, an applicant, at least 15 days before the event, shall
18 file with the Comptroller an application that the Comptroller provides.

19 (5) A holder of a Class 5 brewery license may not be issued more than 12
20 permits in a calendar year.

21 (6) A single promotional event may not exceed 3 consecutive days.

22 (7) The permit fee is \$25 per event.

23 (g) (1) (i) The Comptroller may issue a refillable container permit for draft
24 beer under § 4-1104 or Subtitle 11 of the various titles in Division II of this article to a
25 holder of a Class 5 brewery license:

26 1. on completion of an application form that the Comptroller
27 provides; and

28 2. at no cost to the holder of the Class 5 brewery license.

29 (ii) A refillable container permit may be renewed each year
30 concurrently with the renewal of the Class 5 brewery license.

1 (2) The hours of sale for a refillable container permit issued under this
2 subsection are the same as the hours when a guided tour, a promotional event, or other
3 organized activity at the licensed premises authorized under subsection (b) of this section
4 may be conducted.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
6 1, 2016.