

HOUSE BILL 1590

A2

EMERGENCY BILL

6lr1178
CF SB 9

By: **Delegates Saab, Beidle, Carey, Chang, S. Howard, Malone, and Sophocleus**
Introduced and read first time: February 24, 2016
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Anne Arundel County – Alcoholic Beverages – Limited Distillery License**

3 FOR the purpose of authorizing a Class 9 limited distillery license to be issued in Anne
4 Arundel County; making this Act an emergency measure; making certain provisions
5 of this Act subject to a certain contingency; providing for the termination of certain
6 provisions of this Act; and generally relating to a Class 9 limited distillery license in
7 Anne Arundel County.

8 BY repealing and reenacting, with amendments,
9 Article 2B – Alcoholic Beverages
10 Section 2–202.1
11 Annotated Code of Maryland
12 (2011 Replacement Volume and 2015 Supplement)

13 BY repealing and reenacting, without amendments,
14 Article – Alcoholic Beverages
15 Section 11–102
16 Annotated Code of Maryland
17 (As enacted by Chapter ____ (S.B. ____)(6lr1406) of the Acts of the General
18 Assembly of 2016)

19 BY repealing and reenacting, with amendments,
20 Article – Alcoholic Beverages
21 Section 11–401
22 Annotated Code of Maryland
23 (As enacted by Chapter ____ (S.B. ____)(6lr1406) of the Acts of the General
24 Assembly of 2016)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



Article 2B – Alcoholic Beverages

2–202.1.

(a) There is a Class 9 limited distillery license.

(b) The license shall be issued:

(1) By the State Comptroller; and

(2) Only to a holder of a Class D beer, wine and liquor license in **ANNE ARUNDEL COUNTY OR** Worcester County for use on the premises for which the Class D license was issued.

(c) (1) A holder of a Class 9 limited distillery license:

(i) May establish and operate a plant in this State for distilling, rectifying, and bottling brandy, rum, whiskey, alcohol, and neutral spirits if the holder:

1. Maintains only one brand at any one time for each product of brandy, rum, whiskey, alcohol, and neutral spirits that is distilled, rectified, and sold; and

2. Does not manufacture or rectify product of any other brand for another entity;

(ii) May acquire bulk alcoholic beverages from the holder of a distillery or rectifying license in this State or from the holder of a nonresident dealer's permit;

(iii) After acquiring an individual storage permit, may store on the licensed premises those products manufactured under the Class 9 limited distillery license;

(iv) May sell and deliver those products manufactured under the Class 9 limited distillery license only to a licensed wholesaler in this State or person authorized to acquire distilled spirits in another state and not to a county dispensary;

(v) May sell the products manufactured under the Class 9 limited distillery license at retail in a manner consistent with the underlying Class D license;

(vi) May conduct guided tours of that portion of the licensed premises used for the limited distillery operation; and

(vii) May serve not more than three samples of products manufactured at the licensed premises, with each sample consisting of not more than one-half ounce from a single product, to persons who:

- 1 1. Have attained the legal drinking age;
- 2 2. Participated in a guided tour; and
- 3 3. Are present on that portion of the premises used for the
4 limited distillery operation.

5 (2) A holder of a Class 9 limited distillery license may not:

6 (i) Apply for or possess a Maryland wholesaler's license;

7 (ii) Sell bottles of the products manufactured at the Class 9 limited
8 distillery on that part of the premises used for the distillery operation;

9 (iii) Distill, rectify, bottle, or sell more than 100,000 gallons of
10 brandy, rum, whiskey, alcohol, and neutral spirits each calendar year;

11 (iv) Sell at retail on the premises of the Class D license, for on- or
12 off-sale consumption, more than 15,500 gallons of the products manufactured under the
13 Class 9 limited distillery license each calendar year; and

14 (v) Own, operate, or be affiliated in any manner with another
15 manufacturer.

16 (3) A holder of a Class 9 limited distillery license shall abide by all trade
17 practice restrictions applicable to distilleries.

18 (d) To distill more than the gallonage specified in subsection (c)(2)(iii) of this
19 section, a holder of a Class 9 limited distillery license shall divest itself of any Class D retail
20 license and obtain a Class 1 manufacturer's license.

21 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
22 as follows:

23 **Article – Alcoholic Beverages**

24 11–102.

25 This title applies only in Anne Arundel County.

26 11–401.

27 (a) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of
28 Division I of this article apply in the County without exception or variation:

29 (1) § 2–201 (“Issuance by Comptroller”);

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

(3) § 2–203 (“CLASS 9 LIMITED DISTILLERY LICENSE”);

~~[(3)] (4)~~ § 2–204 (“Class 2 rectifying license”);

~~[(4)] (5)~~ § 2–205 (“Class 3 winery license”);

~~[(5)] (6)~~ § 2–206 (“Class 4 limited winery license”);

~~[(6)] (7)~~ § 2–207 (“Class 5 brewery license”);

~~[(7)] (8)~~ § 2–208 (“Class 6 pub–brewery license”);

~~[(8)] (9)~~ § 2–209 (“Class 7 micro–brewery license”);

~~[(9)] (10)~~ § 2–210 (“Class 8 farm brewery license”);

~~[(10)] (11)~~ § 2–211 (“Residency requirement”);

~~[(11)] (12)~~ § 2–212 (“Additional licenses”);

~~[(12)] (13)~~ § 2–213 (“Additional fees”);

~~[(13)] (14)~~ § 2–214 (“Sale or delivery restricted”);

~~[(14)] (15)~~ § 2–216 (“Interaction between manufacturing entities and
retailers”);

~~[(15)] (16)~~ § 2–217 (“Distribution of alcoholic beverages — Prohibited
practices”); and

~~[(16)] (17)~~ § 2–218 (“Restrictive agreements between producers and
retailers — Prohibited”).

(b) [Section 2–203 (“Class 9 limited distillery license”) of Division I of this article
does not apply in the County.

(c) Section 2–215 (“Beer sale on credit to retail dealer prohibited”) of Division I of
this article applies in the County, subject to § 11–403 of this subtitle.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
effect on the taking effect of Chapter ____ (S.B. ____)(6lr1406) of the Acts of the General
Assembly of 2016. If Section 2 of this Act takes effect, Section 1 of this Act shall be abrogated
and of no further force and effect.

1 SECTION 4. AND BE IT FURTHER ENACTED, That this Act is an emergency
2 measure, is necessary for the immediate preservation of the public health or safety, has
3 been passed by a ye and nay vote supported by three-fifths of all the members elected to
4 each of the two Houses of the General Assembly and, except as provided in Section 3 of this
5 Act, shall take effect from the date it is enacted.