

SENATE BILL 959

A2

6lr2945
CF HB 925

By: **Senator Hershey**

Introduced and read first time: February 5, 2016

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable

Senate action: Adopted

Read second time: March 11, 2016

CHAPTER _____

1 AN ACT concerning

2 **Kent County – Alcoholic Beverages – Limited Distillery License**

3 FOR the purpose of authorizing a Class 9 limited distillery license to be issued in Kent
4 County; authorizing a Class 9 limited distillery license to be issued to a holder of a
5 Class B beer, wine, and liquor license as well as a holder of a Class D beer, wine, and
6 liquor license under certain circumstances; providing that a certain Class 9 limited
7 distillery license holder who is also a Class B beer, wine, and liquor license holder
8 may sell certain products in a certain manner and may not sell at retail more than a
9 certain number of gallons on a certain premises each year; requiring a Class 9 limited
10 distillery license holder who is also a Class B beer, wine, and liquor license holder to
11 divest itself of a certain license and obtain a certain license if the license holder
12 distills more than a certain number of gallons of product each year; and generally
13 relating to a Class 9 limited distillery license in Kent County.

14 BY repealing and reenacting, with amendments,

15 Article – Alcoholic Beverages

16 Section 24–401

17 Annotated Code of Maryland

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

20 BY adding to

21 Article – Alcoholic Beverages

22 Section 24–405

23 Annotated Code of Maryland

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.



(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

24–401.

(a) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of 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) § 2–210 (“Class 8 farm brewery license”);
- (8) § 2–211 (“Residency requirement”);
- (9) § 2–212 (“Additional licenses”);
- (10) § 2–213 (“Additional fees”);
- (11) § 2–214 (“Sale or delivery restricted”);
- (12) § 2–215 (“Beer sale on credit to retail dealer prohibited”);
- (13) § 2–216 (“Interaction between manufacturing entities and retailers”);
- (14) § 2–217 (“Distribution of alcoholic beverages — Prohibited practices”);

and

(15) § 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.

1 (c)] The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of
2 Division I of this article apply in the County:

3 (1) § 2–203 (“CLASS 9 LIMITED DISTILLERY LICENSE”), SUBJECT TO
4 § 24–405 OF THIS SUBTITLE;

5 (2) § 2–208 (“Class 6 pub–brewery license”), subject to § 24–403 of this
6 subtitle; and

7 [(2)] (3) § 2–209 (“Class 7 micro–brewery license”), subject to § 24–404 of
8 this subtitle.

9 24–405.

10 (A) A CLASS 9 LIMITED DISTILLERY LICENSE MAY BE ISSUED TO A HOLDER
11 OF A CLASS B BEER, WINE, AND LIQUOR LICENSE AND TO A HOLDER OF A CLASS D
12 BEER, WINE, AND LIQUOR LICENSE IF THE LICENSE OF THE HOLDER AUTHORIZES
13 CONSUMPTION ON AND OFF THE LICENSED PREMISES.

14 (B) A HOLDER OF A CLASS 9 LIMITED DISTILLERY LICENSE AND A CLASS B
15 BEER, WINE, AND LIQUOR LICENSE:

16 (1) MAY SELL THE PRODUCTS MANUFACTURED UNDER THE CLASS 9
17 LIMITED DISTILLERY LICENSE AT RETAIL IN A MANNER CONSISTENT WITH THE
18 UNDERLYING CLASS B LICENSE; AND

19 (2) MAY NOT SELL AT RETAIL ON THE PREMISES OF THE CLASS B
20 LICENSE, FOR ON– OR OFF–SALE CONSUMPTION, MORE THAN 15,500 GALLONS OF
21 THE PRODUCTS MANUFACTURED UNDER THE CLASS 9 LIMITED DISTILLERY
22 LICENSE EACH CALENDAR YEAR.

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

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
28 1, 2016.