

HOUSE BILL 397

A2

7lr0772

By: **Montgomery County Delegation**

Introduced and read first time: January 26, 2017

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2017

CHAPTER _____

1 AN ACT concerning

2 **Montgomery County – Alcoholic Beverages – Licenses**

3 **MC 17-17**

4 FOR the purpose of authorizing a holder of a Class 7 micro-brewery license ~~to obtain a~~
5 ~~second location in the State to brew and bottle certain beverages produced at the~~
6 ~~first micro-brewery location; exempting the holder of a Class 7 micro-brewery~~
7 ~~license in Montgomery County from a certain provision of law~~ in two locations using
8 the same license under certain conditions; authorizing the license holder to obtain a
9 Class 2 rectifying license for use at the locations; requiring the license holder to
10 request and obtain permission of the Comptroller to brew in certain locations;
11 requiring the Comptroller to make a certain determination and consider certain
12 factors before authorizing brewing in two locations under a single license; prohibiting
13 the license holder from serving or selling certain beverages for on- or off-premises
14 consumption at the second brewing location; and generally relating to alcoholic
15 beverages licenses in Montgomery County.

16 BY repealing and reenacting, without amendments,

17 Article – Alcoholic Beverages

18 Section 2-209(a) and (e), 4-203, and 25-102

19 Annotated Code of Maryland

20 (2016 Volume and 2016 Supplement)

21 BY repealing and reenacting, with amendments,

22 Article – Alcoholic Beverages

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.



1 Section 25–405
2 Annotated Code of Maryland
3 (2016 Volume and 2016 Supplement)

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

6 **Article – Alcoholic Beverages**

7 2–209.

8 (a) There is a Class 7 micro–brewery license.

9 (e) A license holder:

10 (1) may not own, operate, or be affiliated with another manufacturer of
11 beer except for a Class 2 rectifying license authorized under subsection (c)(2) of this section;
12 and

13 (2) may not be granted a wholesaler’s license.

14 4–203.

15 (a) Except as otherwise provided in Division II of this article or Title 3, Title 4, or
16 Title 5 of this division, more than one license may not be issued:

17 (1) to an individual; or

18 (2) for the use of a partnership, a corporation, an unincorporated
19 association, or a limited liability company.

20 (b) Except as otherwise provided in Division II of this article or Title 3, Title 4, or
21 Title 5 of this division, an individual may not be issued in the State more than one Class A,
22 Class C, or Class D license for the use of:

23 (1) that individual; or

24 (2) a partnership, a corporation, an unincorporated association, or a
25 limited liability company.

26 25–102.

27 This title applies only in Montgomery County.

28 25–405.

1 (a) This section applies to a Class 7 micro-brewery (on- and off-sale) license in
2 the county.

3 (b) The license may be issued to the holder of:

4 (1) a Class B beer, wine, and liquor (on-sale) license that is issued for use
5 on the premises of a restaurant located in the county;

6 (2) a Class I beer and wine license; or

7 (3) a Class H beer and wine license.

8 (c) A holder of the license~~;~~

9 ~~(1)~~ shall enter into a written agreement with the Department of Liquor
10 Control for the sale and resale of malt beverages brewed under the license~~;~~

11 ~~(2) MAY HAVE A SECOND LOCATION IN THE STATE TO BREW AND~~
12 ~~BOTTLE THE MALT BEVERAGES PRODUCED AT THE FIRST LOCATION; AND~~

13 ~~(3) IS NOT SUBJECT TO THE MANUFACTURING AND LICENSING~~
14 ~~PROHIBITIONS UNDER § 2-209(E) OF THIS ARTICLE.~~

15 **(D) (1) SUBJECT TO PARAGRAPHS (2), (3), AND (4) OF THIS SUBSECTION,**
16 **THE HOLDER OF A CLASS 7 MICRO-BREWERY LICENSE MAY:**

17 **(I) BREW IN TWO LOCATIONS USING THE SAME CLASS 7**
18 **MICRO-BREWERY LICENSE; AND**

19 **(II) OBTAIN A CLASS 2 RECTIFYING LICENSE FOR THE**
20 **PREMISES AT THE TWO LOCATIONS AUTHORIZED UNDER ITEM (I) OF THIS**
21 **PARAGRAPH.**

22 **(2) THE HOLDER OF A CLASS 7 MICRO-BREWERY LICENSE MAY BREW**
23 **IN TWO LOCATIONS USING THE SAME CLASS 7 MICRO-BREWERY LICENSE IF THE**
24 **LICENSE HOLDER:**

25 **(I) REQUESTS PERMISSION BY SUBMITTING A WRITTEN**
26 **APPLICATION TO THE COMPTROLLER; AND**

27 **(II) OBTAINS WRITTEN APPROVAL FROM THE COMPTROLLER.**

28 **(3) BEFORE AUTHORIZING A HOLDER OF A CLASS 7 MICRO-BREWERY**
29 **LICENSE TO BREW IN TWO LOCATIONS USING THE SAME CLASS 7 MICRO-BREWERY**
30 **LICENSE, THE COMPTROLLER SHALL:**

1 **(I) MAKE A DETERMINATION THAT A SECOND LOCATION TO**
2 **BREW ADDITIONAL CAPACITY IS NECESSARY DUE TO INSUFFICIENT SPACE AT THE**
3 **EXISTING CLASS 7 LICENSE LOCATION; AND**

4 **(II) CONSIDER ANY OTHER FACTOR RELEVANT TO APPROVAL OF**
5 **THE APPLICATION.**

6 **(4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, A**
7 **HOLDER OF A CLASS 7 MICRO-BREWERY LICENSE MAY NOT SERVE OR SELL MALT**
8 **BEVERAGES FOR ON- OR OFF-PREMISES CONSUMPTION AT THE SECOND BREWING**
9 **LOCATION AUTHORIZED UNDER THIS SUBSECTION.**

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
11 1, 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.