

HOUSE BILL 1283

A1

71r2206

By: **Delegate Branch**

Introduced and read first time: February 10, 2017

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Class 5 Brewery License**

3 FOR the purpose of repealing a certain provision of law authorizing a holder of a Class 5
4 brewery license to serve certain samples of beer brewed at the brewery to certain
5 individuals at no charge; specifying that beer sold by a holder of a Class 5 brewery
6 license at retail to a certain individual for off-premises consumption must be in a
7 container other than a keg; repealing certain provisions of law requiring a local
8 licensing board to grant an on-site consumption permit to a certain applicant and to
9 take certain related actions; repealing a certain provision of law authorizing a local
10 licensing board to charge a certain fee; authorizing a local licensing board to issue in
11 a certain manner a Class D beer license for on-premises consumption to a holder of
12 a Class 5 brewery license; providing that a certain Class D beer license entitles the
13 holder to sell beer brewed at the brewery under a certain trade name to a certain
14 individual for on-premises consumption; requiring a holder of a Class D beer license
15 or a certain employee to comply with certain alcohol awareness training
16 requirements; requiring a holder of a Class D beer license to abide by certain trade
17 practice restrictions; repealing a certain provision of law authorizing a holder of a
18 brewery promotional event permit to provide certain samples to consumers;
19 authorizing the holder of certain licenses to exercise the privileges of the licenses
20 during certain hours on certain days; making conforming changes; and generally
21 relating to Class 5 brewery licenses.

22 BY repealing and reenacting, with amendments,
23 Article – Alcoholic Beverages
24 Section 2–207
25 Annotated Code of Maryland
26 (2016 Volume and 2016 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Alcoholic Beverages

1
2 2–207.

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

4 (b) A license holder may:

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

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

8 (3) sell and deliver beer to:

9 (i) a holder of a wholesaler’s license that is authorized to acquire
10 beer; or

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

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

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

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

18 **(5)]** subject to subsection (c) of this section, sell beer brewed at the brewery
19 for off–premises consumption at retail **IN A CONTAINER OTHER THAN A KEG** to an
20 individual participating in a guided tour of the brewery or attending a scheduled
21 promotional event or other organized activity at the brewery; and

22 **[(6) (5)]** subject to subsection (e) of this section, sell beer brewed at the
23 location described in the license for on–premises consumption.

24 (c) An individual may purchase beer under subsection **[(b)(5)] (B)(4)** of this
25 section if the individual:

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

27 (2) has attained the legal drinking age.

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

1 (e) (1) A local licensing board [shall grant an on-site consumption permit]
2 **MAY ISSUE, IN ACCORDANCE WITH TITLE 4 OF THIS ARTICLE, A CLASS D BEER**
3 **LICENSE FOR ON-PREMISES CONSUMPTION** to an applicant that holds a Class 5 brewery
4 license [and, subject to paragraph (3) of this subsection, a Class D beer license].

5 (2) (i) [An on-site consumption permit] **A CLASS D BEER LICENSE**
6 entitles the holder to sell beer brewed at the brewery **UNDER THE TRADE NAME OF THE**
7 **LICENSE HOLDER** for on-premises consumption to an individual who has attained the
8 legal drinking age.

9 (ii) The total amount of beer sold each year for on-premises
10 consumption under this paragraph may not exceed 500 barrels.

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

13 (i) establish an equivalent license; and

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

15 (4) A local licensing board may:

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

17 (ii) require that the holder of the permit] **A HOLDER OF A CLASS D**
18 **BEER LICENSE** or an employee designated by the holder **SHALL** comply with the alcohol
19 awareness training requirements under § 4-505 of this article.

20 (4) **A HOLDER OF A CLASS D BEER LICENSE SHALL ABIDE BY ALL**
21 **APPLICABLE TRADE PRACTICE RESTRICTIONS.**

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

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

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

28 (ii)] sell beer produced by the holder to individuals who participate in
29 the event.

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

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

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

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

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

7 **(G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A HOLDER OF**
8 **A CLASS 5 BREWERY LICENSE MAY EXERCISE THE PRIVILEGES OF THE LICENSE**
9 **FROM 10 A.M. TO 6 P.M. ON MONDAY THROUGH SUNDAY.**

10 **(2) A HOLDER OF A CLASS 5 BREWERY LICENSE AND A CLASS D BEER**
11 **LICENSE FOR ON-PREMISES CONSUMPTION MAY EXERCISE THE PRIVILEGES OF THE**
12 **LICENSES:**

13 **(I) FROM 10 A.M. TO 7 P.M. ON SUNDAY THROUGH THURSDAY;**
14 **AND**

15 **(II) FROM 10 A.M. TO 9 P.M. ON FRIDAY AND SATURDAY.**

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

19 1. on completion of an application form that the Comptroller
20 provides; and

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

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

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

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
29 1, 2017.