

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1391
Economic Matters

(Delegate Brooks, *et al.*)

Baltimore County - Class 5 Brewery

This bill requires the Baltimore County Board of License Commissioners to issue an on-site consumption permit to a holder of a Class 5 brewery license that authorizes the holder to sell, for on-premises consumption, up to 5,000 barrels of beer brewed at the licensed premises each year, instead of 500 barrels each year as currently authorized. The board is required to issue the permit if (1) the brewery is located within an enterprise zone under Title 5, Subtitle 7 of the Economic Development Article when first issued, and (2) on-premises consumption is not allowed after 10 p.m. on Sunday through Thursday, or after midnight on Friday and Saturday. The bill also authorizes a holder of an on-site consumption permit issued under the bill to sell beer brewed at the premises in excess of 5,000 barrels in a year, but only if the holder purchases the excess beer from a licensed wholesaler.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: The bill is not anticipated to materially impact State finances or operations.

Local Effect: The bill is not anticipated to materially impact Baltimore County finances or operations.

Small Business Effect: None.

Analysis

Current Law:

Class 5 Brewery License

Class 5 brewery licenses are issued by the Comptroller's Office. A licensee is authorized to (1) establish and operate a plant in Maryland for brewing and bottling malt beverages at the location described in the license, (2) import beer from holders of nonresident dealer's permits, and (3) sell and deliver beer to any wholesale licensee in the State, or a person outside of the State that is authorized to acquire it. A licensee may also sell up to 288 ounces, per person, of beer brewed at the brewery for off-premises consumption to anyone who participates in a guided tour of the brewery or attends a scheduled promotional event or other organized activity at the licensed premises, provided the person is of legal drinking age.

The Comptroller may issue a refillable container permit for draft beer to a holder of a Class 5 brewery license, on completion of a specified form, at no cost to the holder of the license. The hours of sale for a refillable container permit are the same as the hours when a guided tour, a promotional event, or other organized activity are held at the licensed premises.

A Class 5 brewery license holder may sell up to 500 barrels each year of beer brewed at the location for on-premises consumption. The local licensing board must issue an on-site consumption permit to an applicant that holds a Class 5 manufacturer's license and, with specified exceptions, a Class D beer license.

Hours of Sale

In Baltimore County, unless otherwise specified, a license holder may not allow alcoholic beverages to be consumed on the licensed premises from 2 a.m. to 6 a.m. on any day.

Background: In fiscal 2016, 769 alcoholic beverage licenses were issued for use in Baltimore County. There were 29 Class 5 brewery licenses issued in the State in fiscal 2016.

There are currently 31 enterprise zones located in 16 counties and Baltimore City. Three enterprise zones are located in Baltimore County. A list of all of the enterprise zones, as well as a map of their locations, can be found on the Department of Commerce's [website](#).

Additional Information

Prior Introductions: None.

Cross File: SB 801 (Senator Zirkin, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Baltimore County; Department of Legislative Services

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