

# HOUSE BILL 1053

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By: **Howard County Delegation**

Introduced and read first time: February 7, 2018

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2018

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Howard County – Class 7 Micro–Brewery License and Multiple Class B and**  
3 **Class BLX Beer, Wine, and Liquor Licenses**

4 **Ho. Co. 06–18**

5 FOR the purpose of establishing certain requirements for a Class 7 micro–brewery license  
6 issued for the same premises as a certain restaurant; authorizing the holder of a  
7 Class 7 micro–brewery license to hold a Class 8 farm ~~brewing~~ brewery license;  
8 authorizing the Comptroller to issue in Howard County a Class 7 micro–brewery  
9 license to certain holders of Class B and Class BLX beer, wine, and liquor licenses;  
10 altering in Howard County the maximum numbers of Class B and Class BLX beer,  
11 wine, and liquor licenses that may be held under a certain multiple alcoholic  
12 beverages licensing plan to be eligible for a Class 8 farm brewery license; altering  
13 the number of Class B (on–sale) beer, wine, and liquor licenses the Board of License  
14 Commissioners for Howard County may issue for separate premises to an individual  
15 or for the use of a person under a certain multiple alcoholic beverages licensing plan;  
16 and generally relating to alcoholic beverages licenses in Howard County.

17 BY repealing and reenacting, without amendments,  
18 Article – Alcoholic Beverages  
19 Section 23–102  
20 Annotated Code of Maryland  
21 (2016 Volume and 2017 Supplement)

22 BY repealing and reenacting, with amendments,

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### 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 Article – Alcoholic Beverages  
 2 Section 23–401, 23–902, and 23–1606  
 3 Annotated Code of Maryland  
 4 (2016 Volume and 2017 Supplement)

5 BY adding to  
 6 Article – Alcoholic Beverages  
 7 Section 23–403  
 8 Annotated Code of Maryland  
 9 (2016 Volume and 2017 Supplement)

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

12 **Article – Alcoholic Beverages**

13 23–102.

14 This title applies only in Howard County.

15 23–401.

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

- 18 (1) § 2–201 (“Issuance by Comptroller”);  
 19 (2) § 2–202 (“Class 1 distillery license”);  
 20 (3) § 2–203 (“Class 9 limited distillery license”);  
 21 (4) § 2–204 (“Class 2 rectifying license”);  
 22 (5) § 2–205 (“Class 3 winery license”);  
 23 (6) § 2–206 (“Class 4 limited winery license”);  
 24 (7) § 2–207 (“Class 5 brewery license”);  
 25 (8) [§ 2–209 (“Class 7 micro–brewery license”);  
 26 (9)] § 2–210 (“Class 8 farm brewery license”);  
 27 [(10)] (9) § 2–211 (“Residency requirement”);  
 28 [(11)] (10) § 2–212 (“Additional licenses”);

1 [(12)] (11) § 2–213 (“Additional fees”);

2 [(13)] (12) § 2–214 (“Sale or delivery restricted”);

3 [(14)] (13) § 2–216 (“Interaction between manufacturing entities and  
4 retailers”);

5 [(15)] (14) § 2–217 (“Distribution of alcoholic beverages — Prohibited  
6 practices”); and

7 [(16)] (15) § 2–218 (“Restrictive agreements between producers and  
8 retailers — Prohibited”).

9 (b) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of  
10 Division I of this article do not apply in the county:

11 (1) § 2–208 (“Class 6 pub–brewery license”); and

12 (2) § 2–215 (“Beer sale on credit to retail dealer prohibited”).

13 (c) **SECTION 2–209 (“CLASS 7 MICRO–BREWERY LICENSE”) OF DIVISION I**  
14 **OF THIS ARTICLE APPLIES IN THE COUNTY, SUBJECT TO § 23–403 OF THIS SUBTITLE.**  
15 **23–403.**

16 (A) **THE LICENSED PREMISES FOR WHICH A CLASS 7 MICRO–BREWERY**  
17 **LICENSE IS ISSUED ~~SHALL~~ MAY BE SEPARATE FROM THE RESTAURANT PREMISES**  
18 **FOR WHICH A CLASS B BEER, WINE, AND LIQUOR LICENSE IS ISSUED, BUT ~~MAY~~**  
19 **SHALL BE UNDER THE SAME ROOF.**

20 (B) **THE COMPTROLLER MAY ISSUE THE CLASS 7 MICRO–BREWERY**  
21 **LICENSE NOT MORE THAN 36 MONTHS BEFORE THE RESTAURANT IS COMPLETE AND**  
22 **THE CLASS B BEER, WINE, AND LIQUOR (ON–SALE) LICENSE IS ISSUED.**

23 (C) **IF THE RESTAURANT DOES NOT OBTAIN A CLASS B BEER, WINE, AND**  
24 **LIQUOR (ON–SALE) LICENSE WITHIN 36 MONTHS AFTER OPENING, THE CLASS 7**  
25 **MICRO–BREWERY LICENSE IS REVOKED IMMEDIATELY.**

26 (D) **A CLASS 7 MICRO–BREWERY LICENSE HOLDER MAY HOLD A CLASS 8**  
27 **FARM BREWERY LICENSE FOR A PREMISES LOCATED IN THE COUNTY.**

28 23–902.

29 (a) There is a Class B beer, wine, and liquor license.

- 1 (b) The Board may issue the license to the owner of a hotel that:
- 2 (1) is in a building at least three stories tall that was originally constructed  
3 for hotel purposes;
- 4 (2) has a capital investment of at least \$500,000; and
- 5 (3) contains:
- 6 (i) at least one passenger elevator;
- 7 (ii) at least 100 rooms to accommodate the public; and
- 8 (iii) a dining room with facilities for preparing and serving regular  
9 meals for at least 125 individuals at one seating.
- 10 (c) The license authorizes the license holder to sell beer, wine, and liquor at retail  
11 at a hotel or restaurant at the place described in the license for on-premises consumption.
- 12 (d) (1) There is a beer and wine (B-SBW) off-sale permit.
- 13 (2) The Board may issue the permit only to a holder of the Class B beer,  
14 wine, and liquor license that is issued for a restaurant.
- 15 (3) A holder of the permit:
- 16 (i) may sell beer and wine for off-premises consumption only to  
17 persons who have purchased food or alcohol from the licensed premises; and
- 18 (ii) may not display or provide shelving for beer or wine for  
19 off-premises sales in areas of the establishment that are accessible to the public.
- 20 (4) The term of the permit is the same as that of the Class B beer, wine,  
21 and liquor license that the applicant holds.
- 22 (5) Before the Board may issue the permit:
- 23 (i) the applicant shall complete the form that the Board provides;  
24 and
- 25 (ii) the same advertising, posting of notice, and public hearing  
26 requirements as those for Class B licenses shall be met.
- 27 (6) Off-sale alcoholic beverages receipts collected under the permit shall  
28 be included in the calculation of average daily receipts from the sale of alcoholic beverages  
29 in a restaurant under § 1-101 of this article.

1 (7) A holder of the permit may exercise the privileges of the permit only  
2 when the licensed premises is open for business as a restaurant.

3 (8) The Board may adopt regulations to carry out this subsection, including  
4 a limit on the number of permits to be issued.

5 (e) The Comptroller may issue one Class 8 farm brewery license **AND ONE CLASS**  
6 **7 MICRO-BREWERY LICENSE** to a license holder that holds not more than [two] **FIVE**  
7 Class B and [seven] **SIX** Class BLX beer, wine, and liquor licenses.

8 (f) The annual license fees are:

9 (1) \$1,000 for the Class B beer, wine, and liquor license; and

10 (2) \$500 for the off-sale beer and wine permit.

11 23-1606.

12 (a) (1) Subject to subsections (b) and (c) of this section, the Board may issue to  
13 an individual or for the use of a person one of the following groups of licenses but not both:

14 (i) one Class D (on- and off-sale) beer, wine, and liquor license,  
15 [two] **FIVE** Class B (on-sale) beer, wine, and liquor licenses, and six Class BLX (luxury  
16 restaurant)(on-sale) beer, wine, and liquor licenses; or

17 (ii) one Class D (on- and off-sale) beer, wine, and liquor license and  
18 eight Class BLX (luxury restaurant)(on-sale) beer, wine, and liquor licenses.

19 (2) The licenses specified in paragraph (1) of this subsection are for  
20 separate premises.

21 (b) A person may not have a direct or indirect interest in any combination of more  
22 than one Class D and nine Class B and Class BLX licenses.

23 (c) For purposes of this section, an indirect interest is presumed to exist between  
24 two persons if both:

25 (1) have a common parent company;

26 (2) are linked by a franchise agreement, licensing agreement, or a  
27 concession agreement;

28 (3) are part of a chain of businesses commonly owned and operated;

29 (4) share:

30 (i) directors, stockholders, partners, or members; or

1 (ii) directors, stockholders, partners, or members of parents or  
2 subsidiaries;

3 (5) share, directly or indirectly, profit from the sale of alcoholic beverages;  
4 or

5 (6) share a common trade name, trademark, logo, or theme, or mode of  
6 operation identifiable by the public.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
8 1, 2018.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.