

# 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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## A BILL ENTITLED

1 AN ACT concerning

2 **Howard County – Class 7 Micro–Brewery License and Multiple Class B and BLX**  
3 **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 license; authorizing  
8 the Comptroller to issue in Howard County a Class 7 micro–brewery license to  
9 certain holders of Class B and Class BLX beer, wine, and liquor licenses; altering in  
10 Howard County the maximum numbers of Class B and Class BLX beer, wine, and  
11 liquor licenses that may be held under a certain multiple alcoholic beverages  
12 licensing plan to be eligible for a Class 8 farm brewery license; altering the number  
13 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,  
23 Article – Alcoholic Beverages  
24 Section 23–401, 23–902, and 23–1606  
25 Annotated Code of Maryland  
26 (2016 Volume and 2017 Supplement)

27 BY adding to

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Alcoholic Beverages  
2 Section 23–403  
3 Annotated Code of Maryland  
4 (2016 Volume and 2017 Supplement)

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

7 **Article – Alcoholic Beverages**

8 23–102.

9 This title applies only in Howard County.

10 23–401.

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

13 (1) § 2–201 (“Issuance by Comptroller”);

14 (2) § 2–202 (“Class 1 distillery license”);

15 (3) § 2–203 (“Class 9 limited distillery license”);

16 (4) § 2–204 (“Class 2 rectifying license”);

17 (5) § 2–205 (“Class 3 winery license”);

18 (6) § 2–206 (“Class 4 limited winery license”);

19 (7) § 2–207 (“Class 5 brewery license”);

20 (8) [§ 2–209 (“Class 7 micro–brewery license”);

21 (9)] § 2–210 (“Class 8 farm brewery license”);

22 [(10)] (9) § 2–211 (“Residency requirement”);

23 [(11)] (10) § 2–212 (“Additional licenses”);

24 [(12)] (11) § 2–213 (“Additional fees”);

25 [(13)] (12) § 2–214 (“Sale or delivery restricted”);

26 [(14)] (13) § 2–216 (“Interaction between manufacturing entities and

1 retailers”);

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

4           [(16)] (15) § 2–218 (“Restrictive agreements between producers and  
5 retailers — Prohibited”).

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

8                 (1) § 2–208 (“Class 6 pub–brewery license”); and

9                 (2) § 2–215 (“Beer sale on credit to retail dealer prohibited”).

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

12 **23–403.**

13           (A) **THE LICENSED PREMISES FOR WHICH A CLASS 7 MICRO–BREWERLY**  
14 **LICENSE IS ISSUED SHALL BE SEPARATE FROM THE RESTAURANT PREMISES FOR**  
15 **WHICH A CLASS B BEER, WINE, AND LIQUOR LICENSE IS ISSUED, BUT MAY BE UNDER**  
16 **THE SAME ROOF.**

17           (B) **THE COMPTROLLER MAY ISSUE THE CLASS 7 MICRO–BREWERLY**  
18 **LICENSE NOT MORE THAN 36 MONTHS BEFORE THE RESTAURANT IS COMPLETE AND**  
19 **THE CLASS B BEER, WINE, AND LIQUOR (ON–SALE) LICENSE IS ISSUED.**

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

23           (D) **A CLASS 7 MICRO–BREWERLY LICENSE HOLDER MAY HOLD A CLASS 8**  
24 **FARM BREWERLY LICENSE FOR A PREMISES LOCATED IN THE COUNTY.**

25 **23–902.**

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

27           (b) The Board may issue the license to the owner of a hotel that:

28                 (1) is in a building at least three stories tall that was originally constructed  
29 for hotel purposes;

1 (2) has a capital investment of at least \$500,000; and

2 (3) contains:

3 (i) at least one passenger elevator;

4 (ii) at least 100 rooms to accommodate the public; and

5 (iii) a dining room with facilities for preparing and serving regular  
6 meals for at least 125 individuals at one seating.

7 (c) The license authorizes the license holder to sell beer, wine, and liquor at retail  
8 at a hotel or restaurant at the place described in the license for on-premises consumption.

9 (d) (1) There is a beer and wine (B-SBW) off-sale permit.

10 (2) The Board may issue the permit only to a holder of the Class B beer,  
11 wine, and liquor license that is issued for a restaurant.

12 (3) A holder of the permit:

13 (i) may sell beer and wine for off-premises consumption only to  
14 persons who have purchased food or alcohol from the licensed premises; and

15 (ii) may not display or provide shelving for beer or wine for  
16 off-premises sales in areas of the establishment that are accessible to the public.

17 (4) The term of the permit is the same as that of the Class B beer, wine,  
18 and liquor license that the applicant holds.

19 (5) Before the Board may issue the permit:

20 (i) the applicant shall complete the form that the Board provides;  
21 and

22 (ii) the same advertising, posting of notice, and public hearing  
23 requirements as those for Class B licenses shall be met.

24 (6) Off-sale alcoholic beverages receipts collected under the permit shall  
25 be included in the calculation of average daily receipts from the sale of alcoholic beverages  
26 in a restaurant under § 1-101 of this article.

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

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

1 (e) The Comptroller may issue one Class 8 farm brewery license **AND ONE CLASS**  
2 **7 MICRO-BREWERY LICENSE** to a license holder that holds not more than [two] **FIVE**  
3 Class B and [seven] **SIX** Class BLX beer, wine, and liquor licenses.

4 (f) The annual license fees are:

5 (1) \$1,000 for the Class B beer, wine, and liquor license; and

6 (2) \$500 for the off-sale beer and wine permit.

7 23-1606.

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

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

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

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

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

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

21 (1) have a common parent company;

22 (2) are linked by a franchise agreement, licensing agreement, or a  
23 concession agreement;

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

25 (4) share:

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

27 (ii) directors, stockholders, partners, or members of parents or  
28 subsidiaries;

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

1 or

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

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
5 1, 2018.