

# SENATE BILL 909

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By: **Senator Waugh**

Introduced and read first time: February 5, 2018

Assigned to: Education, Health, and Environmental Affairs

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## A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Class 1 Distillery License – On-Site Consumption Permit**

3 FOR the purpose of authorizing the holder of a Class 1 distillery license to sell mixed drinks  
4 made from certain liquor and other ingredients, under certain circumstances;  
5 authorizing a local licensing board to grant an on-site consumption permit to the  
6 holder of a Class 1 distillery license; authorizing a local licensing board to establish  
7 and charge a fee for a certain permit; requiring the holders of a certain permit to  
8 comply with certain requirements and restrictions; and generally relating to Class 1  
9 distillery licenses.

10 BY repealing and reenacting, with amendments,  
11 Article – Alcoholic Beverages  
12 Section 2–202  
13 Annotated Code of Maryland  
14 (2016 Volume and 2017 Supplement)

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

### Article – Alcoholic Beverages

18 2–202.

19 (a) There is a Class 1 distillery license.

20 (b) The license shall be obtained for each trade name and each distillery in the  
21 State.

22 (c) A license holder may:

23 (1) establish and operate a plant for distilling, rectifying, blending, and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 bottling, at the location described in the license:

2 (i) brandy;

3 (ii) rum;

4 (iii) whiskey;

5 (iv) alcohol; and

6 (v) neutral spirits;

7 (2) sell and deliver the alcoholic beverages:

8 (i) in bulk to a person in the State that is authorized to acquire  
9 them; and

10 (ii) to a person outside the State that is authorized to acquire them;

11 (3) manufacture an alcoholic beverage listed in item (1) of this subsection  
12 in the name of another person or under a trade name if the other person or trade name also  
13 holds a Class 1 distillery license;

14 (4) acquire alcoholic beverages from the holder of a manufacturer's license  
15 or wholesaler's license or nonresident dealer's permit for use in manufacturing; **[and]**

16 (5) (i) conduct guided tours of the licensed premises;

17 (ii) at no cost or for a fee, serve to an individual who has attained the  
18 legal drinking age and participated in a guided tour of the licensed premises, not more than  
19 2 ounces of products, with each product sample consisting of not more than one-half ounce  
20 from a single product manufactured by the license holder;

21 (iii) serve samples blended with other products manufactured by the  
22 license holder or nonalcoholic ingredients; and

23 (iv) sell not more than 2.25 liters of products manufactured on the  
24 licensed premises, for off-premises consumption, and related merchandise to an individual  
25 who has attained the legal drinking age and participated in a guided tour of the licensed  
26 premises; **AND**

27 **(6) SUBJECT TO SUBSECTION (1) OF THIS SECTION, SELL LIQUOR**  
28 **MANUFACTURED BY THE LICENSE HOLDER THAT IS MIXED WITH OTHER**  
29 **INGREDIENTS.**

30 (d) A license holder or entity in which a license holder has a pecuniary interest  
31 may not act as a caterer of food.

1 (e) Subject to subsection (f) of this section, a license holder may conduct the  
2 activities specified in subsection (c)(5) of this section from 10 a.m. to 10 p.m. each day.

3 (f) A Class 1 distillery license allows the license holder to operate 7 days a week.

4 (g) At least 14 days before holding a planned promotional event after 6 p.m., a  
5 license holder shall file a notice of the promotional event with the Comptroller on the form  
6 that the Comptroller provides.

7 (h) A holder of a caterer's license or privilege under Subtitle 5 of this title or  
8 Subtitle 12 of various titles of Division II of this article may exercise the privileges of the  
9 license or privilege on the licensed premises of the license holder.

10 (i) **(1) A LOCAL LICENSING BOARD MAY GRANT AN ON-SITE**  
11 **CONSUMPTION PERMIT TO A HOLDER OF A CLASS 1 DISTILLERY LICENSE.**

12 **(2) THE PERMIT AUTHORIZES THE HOLDER TO SELL MIXED DRINKS**  
13 **MADE FROM LIQUOR THAT THE HOLDER PRODUCES THAT IS MIXED WITH OTHER**  
14 **INGREDIENTS FOR ON-PREMISES CONSUMPTION.**

15 **(3) A LOCAL LICENSING BOARD:**

16 **(I) MAY ESTABLISH AND CHARGE A PERMIT FEE; AND**

17 **(II) SHALL REQUIRE THE PERMIT HOLDER TO:**

18 **1. COMPLY WITH THE ALCOHOL AWARENESS**  
19 **REQUIREMENTS UNDER § 4-505 OF THIS ARTICLE; AND**

20 **2. ABIDE BY ALL APPLICABLE TRADE PRACTICE**  
21 **RESTRICTIONS.**

22 **(J)** Nothing in this section limits the application of relevant provisions of Title 21  
23 of the Health – General Article, and regulations adopted under that title, to a license holder.

24 **[(j)](k)** The annual license fee is \$2,000.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
26 1, 2018.