Article - Alcoholic Beverages

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§2–207. IN EFFECT

(a) In this section, "affiliate" means a person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with a holder of a Class 5 brewery license.

(b) There is a Class 5 brewery license.

(c) A license holder may:

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

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

(3) contract to brew and bottle beer with and on behalf of the holder of a Class 2 rectifying license, Class 5 brewery license, Class 7 micro–brewery license, Class 8 farm brewery license, or a nonresident dealer's permit;

(4) sell and deliver beer to:

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

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

(5) subject to subsection (i) of this section, serve, at the location described in the license and at no charge, samples of beer, consisting of a total of not more than 18 ounces of beer per visit, to an individual who:

(i) has attained the legal drinking age; and

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

(6) subject to subsections (d) and (i) of this section, sell beer for off–premises consumption at the location described in the license, at retail in a container other than a keg to an individual who has attained legal drinking age;

(7) subject to subsection (f) of this section, sell beer at the location described in the license for on–premises consumption; and

(8) brew and bottle malt beverages at a location listed on a permit issued to the license holder in accordance with § 2–113 of this title.

(d) An individual may purchase beer under subsection (c)(6) of this section if the individual:

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

(2) has attained the legal drinking age.

(e) The annual license fee is $1,500.

(f) (1) (i) A local licensing board may grant an on–site consumption permit to an applicant that holds a Class 5 brewery license and, subject to paragraph (5) of this subsection, a Class D beer license.

(ii) On request, a local licensing board may grant an applicant a conditional on–site consumption permit or a conditional Class D beer license.

(iii) The conditional permit or conditional license shall become effective after the applicant:

1. files a completed brewer's notice form with the U.S. Department of Treasury;

2. obtains a Class 5 brewery license; and

3. fulfills any other obligation required by law that the local licensing board identifies.

(2) Subject to the maximum volume limit under paragraph (4) of this subsection, a Class D beer license or an equivalent license under paragraph (5) of this subsection entitles the holder to sell to an individual who has attained the legal drinking age, for on–premises consumption at the brewery:

(i) beer:

1. of which the holder of the Class 5 license is the brand owner; and

2. that is fermented and brewed entirely by the license holder at a location authorized by this section;

(ii) beer that is fermented and brewed entirely at the brewery under contract with a brand owner who does not possess a Class 5 license; and

(iii) subject to paragraph (3) of this subsection, beer brewed at a location other than the Class 5 brewery if:

1. the brand owner of the beer is the holder of the Class 5 license or an affiliate of the holder of the Class 5 license;

2. the number of barrels of the beer sold for on–premises consumption under the Class D beer license or an equivalent license or an on–site consumption permit in a calendar year does not exceed the greater of:

A. 25% of the total number of barrels of beer sold for on–premises consumption under the Class D license or an equivalent license or an on–site consumption permit in that calendar year; or

B. 1.2% of total finished production under the Class 5 brewery license; and

3. A. the license holder contracts with or on behalf of a holder of a manufacturer's license or nonresident dealer's permit; or

B. the beer is manufactured by an affiliate of the license holder.

(3) (i) This paragraph applies to a Class 5 brewery with more than 1,000,000 barrels of finished production annually, alone or in combination with its affiliates.

(ii) Beer that is delivered to the Class 5 brewery in finished form may be sold for on–premises consumption under paragraph (2)(iii)2 of this subsection only if it is purchased from a licensed wholesaler.

(4) The total amount of beer sold each year for on–premises consumption under this subsection may not exceed 5,000 barrels.

(5) Before a local licensing board that does not issue a Class D beer license may grant an on–site consumption permit, the local licensing board shall:

(i) establish an equivalent license; and

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

(6) A local licensing board may charge a fee for granting an on–site consumption permit.

(7) A local licensing board shall require the holder of an on–site consumption permit or a Class D beer license or an equivalent license under paragraph (5) of this subsection to:

(i) comply with the alcohol awareness requirements under § 4–505 of this article; and

(ii) abide by all applicable trade practice restrictions.

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

(2) Subject to subsection (i) of this section, the permit authorizes the holder to conduct on the premises of the brewery a promotional event at which the holder may, with respect to individuals who have attained the legal drinking age:

(i) provide samples consisting of a total of not more than 18 fluid ounces to a consumer; and

(ii) sell beer to individuals who participate in the event.

(3) Subject to subsection (i) of this section, the beer at the event shall be sold by the glass for on–premises consumption only.

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

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

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

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

(h) (1) This subsection does not apply to:

(i) the holder of a Class 5 brewery license that held an on–site consumption permit and a Class D license or an equivalent license on or before April 1, 2017, and any transferee of those licenses;

(ii) an individual who held a minority interest in an on–site consumption permit and a Class D license or an equivalent license on or before April 1, 2017, and then obtains by transfer a majority interest in the same license or permit;

(iii) a location in the State for which a completed brewer's notice form was filed with the U. S. Department of Treasury on or before April 1, 2017;

(iv) a promotional event conducted under subsection (g) of this section; and

(v) a guided tour during which:

1. samples of beer are served under subsection (c)(5) of this section; or

2. beer is sold for off–premises consumption under subsection (c)(6) of this section.

(2) This subsection applies to:

(i) a holder of a Class 5 brewery license who:

1. after April 1, 2017, obtains an on–site consumption permit and a Class D beer license or equivalent license for on–premises consumption; or

2. not holding a minority interest in an on–site consumption permit and a Class D license or an equivalent license on or before April 1, 2017, obtains a majority interest by transfer in an on–site consumption permit and a Class D license or an equivalent license; and

(ii) notwithstanding paragraph (1)(iii) of this subsection, a manufacturer of beer with more than 1,000,000 barrels of finished production annually alone or in combination with its affiliates.

(3) Notwithstanding any provision in Division II of this article, the sales and serving privileges of an on–site consumption permit and a Class D license or an equivalent license may be exercised only from 10 a.m. to 10 p.m. Monday through Sunday.

(i) All beer offered, served, or sold to a consumer under subsection (c)(5) or (6) or (g) of this section shall be:

(1) fermented and brewed entirely at the Class 5 brewery; or

(2) beer of which the license holder or an affiliate of the license holder is the brand owner.

(j) (1) (i) The Comptroller may issue a refillable container permit for draft beer under § 4–1104 or Subtitle 11 of the various titles in Division II of this article to a holder of a Class 5 brewery license:

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

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

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

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

(k) (1) On or before October 1 each year, the Comptroller shall report to the Senate Education, Health, and Environmental Affairs Committee and the House Economic Matters Committee, in accordance with § 2–1257 of the State Government Article, on the following, identified by jurisdiction and Class 5 license holder:

(i) the total beer production of the license holder in the preceding fiscal year; and

(ii) the total sales of the license holder for on–site consumption under an on–site consumption permit, a Class D beer license, or an equivalent license in the preceding fiscal year.

(2) Each holder of a Class 5 license shall report to the Comptroller the information needed to prepare the annual report under this subsection.

(3) The Comptroller shall include the information reported under this subsection in the annual report submitted under § 1–306 of this article.

§2–207. IN EFFECT

(a) In this section, "affiliate" means a person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with a holder of a Class 5 brewery license.

(b) There is a Class 5 brewery license.

(c) A license holder may:

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

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

(3) contract to brew and bottle beer with and on behalf of the holder of a Class 2 rectifying license, Class 5 brewery license, Class 7 micro–brewery license, Class 8 farm brewery license, or a nonresident dealer's permit;

(4) sell and deliver beer to:

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

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

(5) subject to subsection (i) of this section, serve, at the location described in the license and at no charge, samples of beer, consisting of a total of not more than 18 ounces of beer per visit, to an individual who:

(i) has attained the legal drinking age; and

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

(6) subject to subsections (d) and (i) of this section, sell beer for off–premises consumption at the location described in the license, at retail in a container other than a keg to an individual who has attained legal drinking age;

(7) subject to subsection (f) of this section, sell beer at the location described in the license for on–premises consumption; and

(8) brew and bottle malt beverages at a location listed on a permit issued to the license holder in accordance with § 2–113 of this title.

(d) An individual may purchase beer under subsection (c)(6) of this section if the individual:

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

(2) has attained the legal drinking age.

(e) The annual license fee is $1,500.

(f) (1) (i) A local licensing board may grant an on–site consumption permit to an applicant that holds a Class 5 brewery license and, subject to paragraph (5) of this subsection, a Class D beer license.

(ii) On request, a local licensing board may grant an applicant a conditional on–site consumption permit or a conditional Class D beer license.

(iii) The conditional permit or conditional license shall become effective after the applicant:

1. files a completed brewer's notice form with the U.S. Department of Treasury;

2. obtains a Class 5 brewery license; and

3. fulfills any other obligation required by law that the local licensing board identifies.

(2) Subject to the maximum volume limit under paragraph (4) of this subsection, a Class D beer license or an equivalent license under paragraph (5) of this subsection entitles the holder to sell to an individual who has attained the legal drinking age, for on–premises consumption at the brewery:

(i) beer:

1. of which the holder of the Class 5 license is the brand owner; and

2. that is fermented and brewed entirely by the license holder at a location authorized by this section;

(ii) beer that is fermented and brewed entirely at the brewery under contract with a brand owner who does not possess a Class 5 license; and

(iii) subject to paragraph (3) of this subsection, beer brewed at a location other than the Class 5 brewery if:

1. the brand owner of the beer is the holder of the Class 5 license or an affiliate of the holder of the Class 5 license;

2. the number of barrels of the beer sold for on–premises consumption under the Class D beer license or an equivalent license or an on–site consumption permit in a calendar year does not exceed the greater of:

A. 25% of the total number of barrels of beer sold for on–premises consumption under the Class D license or an equivalent license or an on–site consumption permit in that calendar year; or

B. 1.2% of total finished production under the Class 5 brewery license; and

3. A. the license holder contracts with or on behalf of a holder of a manufacturer's license or nonresident dealer's permit; or

B. the beer is manufactured by an affiliate of the license holder.

(3) (i) This paragraph applies to a Class 5 brewery with more than 1,000,000 barrels of finished production annually, alone or in combination with its affiliates.

(ii) Beer that is delivered to the Class 5 brewery in finished form may be sold for on–premises consumption under paragraph (2)(iii)2 of this subsection only if it is purchased from a licensed wholesaler.

(4) The total amount of beer sold each year for on–premises consumption under this subsection may not exceed 5,000 barrels.

(5) Before a local licensing board that does not issue a Class D beer license may grant an on–site consumption permit, the local licensing board shall:

(i) establish an equivalent license; and

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

(6) A local licensing board may charge a fee for granting an on–site consumption permit.

(7) A local licensing board shall require the holder of an on–site consumption permit or a Class D beer license or an equivalent license under paragraph (5) of this subsection to:

(i) comply with the alcohol awareness requirements under § 4–505 of this article; and

(ii) abide by all applicable trade practice restrictions.

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

(2) Subject to subsection (i) of this section, the permit authorizes the holder to conduct on the premises of the brewery a promotional event at which the holder may, with respect to individuals who have attained the legal drinking age:

(i) provide samples consisting of a total of not more than 18 fluid ounces to a consumer; and

(ii) sell beer to individuals who participate in the event.

(3) Subject to subsection (i) of this section, the beer at the event shall be sold by the glass for on–premises consumption only.

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

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

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

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

(h) (1) This subsection does not apply to:

(i) the holder of a Class 5 brewery license that held an on–site consumption permit and a Class D license or an equivalent license on or before April 1, 2017, and any transferee of those licenses;

(ii) an individual who held a minority interest in an on–site consumption permit and a Class D license or an equivalent license on or before April 1, 2017, and then obtains by transfer a majority interest in the same license or permit;

(iii) a location in the State for which a completed brewer's notice form was filed with the U. S. Department of Treasury on or before April 1, 2017;

(iv) a promotional event conducted under subsection (g) of this section; and

(v) a guided tour during which:

1. samples of beer are served under subsection (c)(5) of this section; or

2. beer is sold for off–premises consumption under subsection (c)(6) of this section.

(2) This subsection applies to:

(i) a holder of a Class 5 brewery license who:

1. after April 1, 2017, obtains an on–site consumption permit and a Class D beer license or equivalent license for on–premises consumption; or

2. not holding a minority interest in an on–site consumption permit and a Class D license or an equivalent license on or before April 1, 2017, obtains a majority interest by transfer in an on–site consumption permit and a Class D license or an equivalent license; and

(ii) notwithstanding paragraph (1)(iii) of this subsection, a manufacturer of beer with more than 1,000,000 barrels of finished production annually alone or in combination with its affiliates.

(3) Notwithstanding any provision in Division II of this article, the sales and serving privileges of an on–site consumption permit and a Class D license or an equivalent license may be exercised only from 10 a.m. to 10 p.m. Monday through Sunday.

(i) All beer offered, served, or sold to a consumer under subsection (c)(5) or (6) or (g) of this section shall be:

(1) fermented and brewed entirely at the Class 5 brewery; or

(2) beer of which the license holder or an affiliate of the license holder is the brand owner.

(j) (1) (i) The Comptroller may issue a refillable container permit for draft beer under § 4–1104 or Subtitle 11 of the various titles in Division II of this article to a holder of a Class 5 brewery license:

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

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

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

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

(k) (1) On or before October 1 each year, the Comptroller shall report to the Senate Education, Health, and Environmental Affairs Committee and the House Economic Matters Committee, in accordance with § 2–1257 of the State Government Article, on the following, identified by jurisdiction and Class 5 license holder:

(i) the total beer production of the license holder in the preceding fiscal year; and

(ii) the total sales of the license holder for on–site consumption under an on–site consumption permit, a Class D beer license, or an equivalent license in the preceding fiscal year.

(2) Each holder of a Class 5 license shall report to the Comptroller the information needed to prepare the annual report under this subsection.

(3) The Comptroller shall include the information reported under this subsection in the annual report submitted under § 1–306 of this article.

§2–207. IN EFFECT

(a) In this section, "affiliate" means a person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with a holder of a Class 5 brewery license.

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(c) A license holder may:

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

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

(3) contract to brew and bottle beer with and on behalf of the holder of a Class 2 rectifying license, Class 5 brewery license, Class 7 micro–brewery license, Class 8 farm brewery license, or a nonresident dealer's permit;

(4) sell and deliver beer to:

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

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

(5) subject to subsection (i) of this section, serve, at the location described in the license and at no charge, samples of beer, consisting of a total of not more than 18 ounces of beer per visit, to an individual who:

(i) has attained the legal drinking age; and

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

(6) subject to subsections (d) and (i) of this section, sell beer for off–premises consumption at the location described in the license, at retail in a container other than a keg to an individual who has attained legal drinking age;

(7) subject to subsection (f) of this section, sell beer at the location described in the license for on–premises consumption; and

(8) brew and bottle malt beverages at a location listed on a permit issued to the license holder in accordance with § 2–113 of this title.

(d) An individual may purchase beer under subsection (c)(6) of this section if the individual:

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

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(e) The annual license fee is $1,500.

(f) (1) (i) A local licensing board may grant an on–site consumption permit to an applicant that holds a Class 5 brewery license and, subject to paragraph (5) of this subsection, a Class D beer license.

(ii) On request, a local licensing board may grant an applicant a conditional on–site consumption permit or a conditional Class D beer license.

(iii) The conditional permit or conditional license shall become effective after the applicant:

1. files a completed brewer's notice form with the U.S. Department of Treasury;

2. obtains a Class 5 brewery license; and

3. fulfills any other obligation required by law that the local licensing board identifies.

(2) Subject to the maximum volume limit under paragraph (4) of this subsection, a Class D beer license or an equivalent license under paragraph (5) of this subsection entitles the holder to sell to an individual who has attained the legal drinking age, for on–premises consumption at the brewery:

(i) beer:

1. of which the holder of the Class 5 license is the brand owner; and

2. that is fermented and brewed entirely by the license holder at a location authorized by this section;

(ii) beer that is fermented and brewed entirely at the brewery under contract with a brand owner who does not possess a Class 5 license; and

(iii) subject to paragraph (3) of this subsection, beer brewed at a location other than the Class 5 brewery if:

1. the brand owner of the beer is the holder of the Class 5 license or an affiliate of the holder of the Class 5 license;

2. the number of barrels of the beer sold for on–premises consumption under the Class D beer license or an equivalent license or an on–site consumption permit in a calendar year does not exceed the greater of:

A. 25% of the total number of barrels of beer sold for on–premises consumption under the Class D license or an equivalent license or an on–site consumption permit in that calendar year; or

B. 1.2% of total finished production under the Class 5 brewery license; and

3. A. the license holder contracts with or on behalf of a holder of a manufacturer's license or nonresident dealer's permit; or

B. the beer is manufactured by an affiliate of the license holder.

(3) (i) This paragraph applies to a Class 5 brewery with more than 1,000,000 barrels of finished production annually, alone or in combination with its affiliates.

(ii) Beer that is delivered to the Class 5 brewery in finished form may be sold for on–premises consumption under paragraph (2)(iii)2 of this subsection only if it is purchased from a licensed wholesaler.

(4) The total amount of beer sold each year for on–premises consumption under this subsection may not exceed 5,000 barrels.

(5) Before a local licensing board that does not issue a Class D beer license may grant an on–site consumption permit, the local licensing board shall:

(i) establish an equivalent license; and

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

(6) A local licensing board may charge a fee for granting an on–site consumption permit.

(7) A local licensing board shall require the holder of an on–site consumption permit or a Class D beer license or an equivalent license under paragraph (5) of this subsection to:

(i) comply with the alcohol awareness requirements under § 4–505 of this article; and

(ii) abide by all applicable trade practice restrictions.

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

(2) Subject to subsection (i) of this section, the permit authorizes the holder to conduct on the premises of the brewery a promotional event at which the holder may, with respect to individuals who have attained the legal drinking age:

(i) provide samples consisting of a total of not more than 18 fluid ounces to a consumer; and

(ii) sell beer to individuals who participate in the event.

(3) Subject to subsection (i) of this section, the beer at the event shall be sold by the glass for on–premises consumption only.

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

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

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

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

(h) (1) This subsection does not apply to:

(i) the holder of a Class 5 brewery license that held an on–site consumption permit and a Class D license or an equivalent license on or before April 1, 2017, and any transferee of those licenses;

(ii) an individual who held a minority interest in an on–site consumption permit and a Class D license or an equivalent license on or before April 1, 2017, and then obtains by transfer a majority interest in the same license or permit;

(iii) a location in the State for which a completed brewer's notice form was filed with the U. S. Department of Treasury on or before April 1, 2017;

(iv) a promotional event conducted under subsection (g) of this section; and

(v) a guided tour during which:

1. samples of beer are served under subsection (c)(5) of this section; or

2. beer is sold for off–premises consumption under subsection (c)(6) of this section.

(2) This subsection applies to:

(i) a holder of a Class 5 brewery license who:

1. after April 1, 2017, obtains an on–site consumption permit and a Class D beer license or equivalent license for on–premises consumption; or

2. not holding a minority interest in an on–site consumption permit and a Class D license or an equivalent license on or before April 1, 2017, obtains a majority interest by transfer in an on–site consumption permit and a Class D license or an equivalent license; and

(ii) notwithstanding paragraph (1)(iii) of this subsection, a manufacturer of beer with more than 1,000,000 barrels of finished production annually alone or in combination with its affiliates.

(3) Notwithstanding any provision in Division II of this article, the sales and serving privileges of an on–site consumption permit and a Class D license or an equivalent license may be exercised only from 10 a.m. to 10 p.m. Monday through Sunday.

(i) All beer offered, served, or sold to a consumer under subsection (c)(5) or (6) or (g) of this section shall be:

(1) fermented and brewed entirely at the Class 5 brewery; or

(2) beer of which the license holder or an affiliate of the license holder is the brand owner.

(j) (1) (i) The Comptroller may issue a refillable container permit for draft beer under § 4–1104 or Subtitle 11 of the various titles in Division II of this article to a holder of a Class 5 brewery license:

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

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

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

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

(k) (1) On or before October 1 each year, the Comptroller shall report to the Senate Education, Health, and Environmental Affairs Committee and the House Economic Matters Committee, in accordance with § 2–1257 of the State Government Article, on the following, identified by jurisdiction and Class 5 license holder:

(i) the total beer production of the license holder in the preceding fiscal year; and

(ii) the total sales of the license holder for on–site consumption under an on–site consumption permit, a Class D beer license, or an equivalent license in the preceding fiscal year.

(2) Each holder of a Class 5 license shall report to the Comptroller the information needed to prepare the annual report under this subsection.

(3) The Comptroller shall include the information reported under this subsection in the annual report submitted under § 1–306 of this article.

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