

HOUSE BILL 1018

A2

11r2109
CF SB 833

By: **Charles County Delegation**

Introduced and read first time: February 5, 2021

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 4, 2021

CHAPTER _____

1 AN ACT concerning

2 **Charles County – Alcoholic Beverages – Class 4 Limited Winery License**

3 FOR the purpose of exempting a holder of a Class 4 limited winery license from certain
4 restrictions on interactions with retailers in Charles County; authorizing a holder of
5 a Class 4 limited winery license to have a financial interest in a certain other license;
6 and generally relating to alcoholic beverages in Charles County.

7 BY repealing and reenacting, without amendments,

8 Article – Alcoholic Beverages

9 Section 2–216(a)(1) and (3), (b), and (e) and 18–102

10 Annotated Code of Maryland

11 (2016 Volume and 2020 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Alcoholic Beverages

14 Section 18–401

15 Annotated Code of Maryland

16 (2016 Volume and 2020 Supplement)

17 BY adding to

18 Article – Alcoholic Beverages

19 Section 18–403

20 Annotated Code of Maryland

21 (2016 Volume and 2020 Supplement)

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

3 **Article – Alcoholic Beverages**

4 2–216.

5 (a) (1) In this section the following words have the meanings indicated.

6 (3) “Manufacturing entity” means:

7 (i) a holder of a manufacturer’s license or a person connected with
8 the business of the holder; or

9 (ii) a distiller, nonresident dealer, resident dealer, brewer, rectifier,
10 blender, or bottler of alcoholic beverages.

11 (b) Except as otherwise provided in this section:

12 (1) a manufacturing entity may not have a financial interest in:

13 (i) the premises on or in which a license holder sells alcoholic
14 beverages at retail; or

15 (ii) a business that a license holder conducts;

16 (2) a manufacturing entity may not lend money or any other thing of value,
17 make a gift, or offer a gratuity to a retail dealer;

18 (3) a retail dealer may not accept, receive, or make use of money, a gift, or
19 an advertisement provided by a manufacturing entity or become indebted to a
20 manufacturing entity except for the purchase of alcoholic beverages and allied products
21 purchased for resale; and

22 (4) a manufacturing entity may not provide an advertisement to a retail
23 dealer.

24 (e) (1) Subsections (b) and (c) of this section do not apply to:

25 (i) a holder of a Class 6 pub–brewery license with respect to the malt
26 beverages brewed on the premises; or

27 (ii) a holder of a Class 7 micro–brewery license with respect to the
28 malt beverages brewed on the premises that are sold:

29 1. on the licensed premises of the brewery; or

1 2. in a restaurant or brewery pub owned, conducted, and
2 operated by the holder in or adjacent to the brewery for which it is licensed.

3 (2) A holder of a Class 6 pub–brewery license or a Class 7 micro–brewery
4 license may hold or have a financial interest in one retail license that does not apply to
5 premises to which a Class 6 pub–brewery license or Class 7 micro–brewery license applies.

6 18–102.

7 This title applies only in Charles County.

8 18–401.

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

11 (1) § 2–201 (“Issuance by Comptroller”);

12 (2) § 2–202 (“Class 1 distillery license”);

13 (3) § 2–203 (“Class 9 limited distillery license”);

14 (4) § 2–204 (“Class 2 rectifying license”);

15 (5) § 2–205 (“Class 3 winery license”);

16 (6) § 2–206 (“Class 4 limited winery license”);

17 (7) § 2–207 (“Class 5 brewery license”);

18 (8) § 2–208 (“Class 6 pub–brewery license”);

19 (9) § 2–209 (“Class 7 micro–brewery license”);

20 (10) § 2–210 (“Class 8 farm brewery license”);

21 (11) § 2–211 (“Residency requirement”);

22 (12) § 2–212 (“Additional licenses”);

23 (13) § 2–213 (“Additional fees”);

24 (14) § 2–214 (“Sale or delivery restricted”);

25 (15) § 2–215 (“Beer sale on credit to retail dealer prohibited”);

26 (16) [§ 2–216 (“Interaction between manufacturing entities and retailers”);

1 (17) § 2–217 (“Distribution of alcoholic beverages — Prohibited practices”);
2 and

3 [(18)] (17) § 2–218 (“Restrictive agreements between producers and
4 retailers — Prohibited”).

5 (B) SECTION 2–216 (“INTERACTION BETWEEN MANUFACTURING ENTITIES
6 AND RETAILERS”) OF DIVISION I OF THIS ARTICLE APPLIES IN THE COUNTY,
7 SUBJECT TO § 18–403 OF THIS SUBTITLE.

8 18–403.

9 (A) SECTION 2–216(B) OF THIS ARTICLE DOES NOT APPLY TO A HOLDER OF
10 A CLASS 4 LIMITED WINERY LICENSE.

11 (B) A HOLDER OF A CLASS 4 LIMITED WINERY LICENSE MAY HOLD OR HAVE
12 A FINANCIAL INTEREST IN ONE RETAIL LICENSE THAT DOES NOT APPLY TO THE
13 PREMISES FOR WHICH A CLASS 4 LIMITED WINERY LICENSE APPLIES.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
15 1, 2021.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.