### HB0565/133327/1

### BY: Economic Matters Committee

## <u>AMENDMENTS TO HOUSE BILL 565</u> (First Reading File Bill)

### AMENDMENT NO. 1

On page 1, strike beginning with the first "a" in line 3 down through "against" in line 6; in line 7, strike "applying for or possessing a wholesaler's license" and substitute "<u>to apply for and obtain a Class 8 liquor wholesaler's license with certain privileges</u>"; and in line 11, after "2–203" insert "<u>, 2–212(b), 2–308.1, and 2–311</u>".

### AMENDMENT NO. 2

On page 2, in line 15, after "(4)" insert "<u>EXCEPT AS AUTHORIZED UNDER</u> <u>SUBSECTION (D)(1) OF THIS SECTION,</u>"; in line 16, strike the bracket; and strike beginning with the closing bracket in line 17 down through "THEM" in line 21.

On page 3, in lines 6 and 7, in each instance, strike the bracket; in line 6, after "license" insert "<u>, EXCEPT FOR A CLASS 8 LIQUOR WHOLESALER'S LICENSE</u>"; in lines 9, 12, 15, and 17, in each instance, strike the brackets; in lines 9, 12, 15, and 17, strike "(2)", "(3)", "(4)", and "(D)(2)", respectively; and after line 24, insert:

#### "<u>2–212.</u>

(b) (1) The holder of a rectifying or winery license may apply for and obtain a wholesaler's license of any class for the same premises or elsewhere as provided under this article.

(2) The holder of a Class 4 limited winery license may apply for and obtain a Class 6 limited wine wholesaler's license for the same premises or elsewhere as provided under this article.

(3) (i) <u>The holder of a Class 5 brewery license or Class 7 micro-</u> brewery license may apply for and obtain a Class 7 limited beer wholesaler's license in accordance with this paragraph.

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(ii) <u>A holder of a Class 5 brewery license that was selling the holder's own beer at wholesale in the State as of January 1, 2013, may obtain a Class 7 limited beer wholesaler's license to continue to sell the holder's own beer at wholesale in the same location in an amount that is not more than 5,000 barrels annually.</u>

(iii) <u>A holder of a Class 5 brewery license that produces in</u> aggregate from all its locations not more than 45,000 barrels of beer annually may obtain a Class 7 limited beer wholesaler's license and distribute not more than 5,000 barrels of its own beer annually.

(4) <u>A holder of one or two Class 7 micro–brewery licenses that produces</u> in aggregate from all of its locations not more than 45,000 barrels of beer annually may obtain a Class 7 limited beer wholesaler's license and distribute beer that:

(i) totals annually not more than 5,000 barrels in aggregate from all of its locations; and

(ii) has been brewed at the location from where it is distributed.

(5) <u>The holder of a Class 1 distillery license may apply for and obtain a</u> <u>Class 8 liquor wholesaler's license for the same premises or elsewhere as provided under</u> <u>this article.</u>

# (6) <u>THE HOLDER OF A CLASS 9 LIMITED DISTILLERY LICENSE MAY</u> <u>APPLY FOR AND OBTAIN A CLASS 8 LIQUOR WHOLESALER'S LICENSE, FOR THE</u> <u>SAME PREMISES OR ELSEWHERE AS PROVIDED UNDER THIS ARTICLE, AND</u> <u>DISTRIBUTE ITS OWN LIQUOR.</u>

### 2-308.1.

- (a) <u>There is a Class 8 liquor wholesaler's license.</u>
- (b) <u>The license may be issued only to a person that:</u>
  - <u>(1)</u> <u>holds a:</u>
    - (I) <u>Class 1 distillery license; OR</u>

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## (II) CLASS 9 LIMITED DISTILLERY LICENSE; and

(2) produces in the aggregate from all of its locations not more than 100,000 gallons of liquor annually.

(c) <u>The license authorizes the license holder to:</u>

(1) sell and deliver its own liquor produced at the license holder's premises to:

(i) <u>a holder of a retail license that is authorized to acquire liquor</u> <u>from a wholesaler; and</u>

(ii) <u>a holder of a permit that is authorized to acquire liquor from</u> <u>a wholesaler; and</u>

(2) <u>distribute not more than 27,500 gallons of its own liquor annually.</u>

(d) The annual license fee is \$100.

(e) <u>The license holder may use an additional location for the warehousing,</u> sale, and delivery of liquor:

(1) if approved by the Comptroller following submission of a separate application for each location; and

(2) on the payment of a \$100 fee for each additional location.

### <u>2–311.</u>

(a) <u>The holder of a Class 1, Class 2, or Class 3 wholesaler's license may obtain</u> more than one such license [provided] IF separate records are kept.

(b) (1) The holder of a rectifying or winery license may apply for and obtain a wholesaler's license of any class for the same premises or elsewhere as provided under this article.

(Over)

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(2) The holder of a Class 4 limited winery license may apply for and obtain a Class 6 limited wine wholesaler's license for the same premises or elsewhere as provided under this article.

(3) (i) <u>The holder of a Class 5 manufacturer's license or Class 7</u> <u>micro-brewery license may apply for and obtain a Class 7 limited beer wholesaler's</u> <u>license in accordance with this paragraph.</u>

(ii) <u>A holder of a Class 5 manufacturer's license that was selling</u> the holder's own beer at wholesale in the State as of January 1, 2013, may obtain a Class 7 limited beer wholesaler's license to continue to sell the holder's own beer at wholesale in the same location in an amount that is not more than 5,000 barrels annually.

(iii) <u>A holder of a Class 5 manufacturer's license that produces in</u> aggregate from all its locations not more than 45,000 barrels of beer annually may obtain a Class 7 limited beer wholesaler's license and distribute not more than 5,000 barrels of its own beer annually.

(iv) <u>A holder of one or two Class 7 micro-brewery licenses that</u> produces in aggregate from all of its locations not more than 45,000 barrels of beer annually may obtain a Class 7 limited beer wholesaler's license and distribute beer that:

<u>1.</u> <u>totals annually not more than 5,000 barrels in</u> <u>aggregate from all of its locations; and</u>

2. <u>has been brewed at the location from where it is</u>

distributed.

(4) <u>A HOLDER OF A CLASS 9 LIMITED DISTILLERY LICENSE MAY</u> APPLY FOR AND OBTAIN A CLASS 8 LIQUOR WHOLESALER'S LICENSE, FOR THE SAME PREMISES OR ELSEWHERE AS PROVIDED UNDER THIS ARTICLE, AND DISTRIBUTE ITS OWN LIQUOR.".