

HOUSE BILL 277

A2

3lr0563

By: **Montgomery County Delegation**

Introduced and read first time: January 25, 2023

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County – Alcoholic Beverages – Holders of Class B–BWL**
3 **(Clubhouse/Lodge) License and Class 7 Micro–Brewery License**

4 **MC 16–23**

5 FOR the purpose of providing that the restriction on holding or having a financial interest
6 in other retail alcoholic beverages licenses for holders of a Class 7 micro–brewery
7 license does not apply to a holder of a Class B–BWL (clubhouse/lodge) license in
8 Montgomery County who is issued a Class 7 micro–brewery license; and generally
9 relating to alcoholic beverages in Montgomery County.

10 BY repealing and reenacting, without amendments,
11 Article – Alcoholic Beverages
12 Section 2–216(e)(2), 25–102, and 25–1003
13 Annotated Code of Maryland
14 (2016 Volume and 2022 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Alcoholic Beverages
17 Section 25–401 and 25–405
18 Annotated Code of Maryland
19 (2016 Volume and 2022 Supplement)

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

22 **Article – Alcoholic Beverages**

23 2–216.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

25–102.

This title applies only in Montgomery County.

25–401.

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

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

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

(3) § 2–204 (“Class 2 rectifying license”);

(4) § 2–207 (“Class 5 brewery license”);

(5) § 2–210 (“Class 8 farm brewery license”);

(6) § 2–211 (“Residency requirement”);

(7) § 2–212 (“Additional licenses”);

(8) § 2–213 (“Additional fees”);

(9) § 2–214 (“Sale or delivery restricted”);

(10) [§ 2–216 (“Interaction between manufacturing entities and retailers”);

(11)] § 2–217 (“Distribution of alcoholic beverages — Prohibited practices”);

and

[(12)] **(11)** § 2–218 (“Restrictive agreements between producers and retailers — Prohibited”).

(b) Section 2–215 (“Beer sale on credit to retail dealer prohibited”) of Division I of this article does not apply in the county.

(c) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of Division I of this article apply in the county:

(1) § 2–203 (“Class 9 limited distillery license”), subject to § 25–406 of this subtitle;

1 (2) § 2–205 (“Class 3 winery license”), subject to § 25–403 of this subtitle;

2 (3) § 2–206 (“Class 4 limited winery license”), subject to § 25–407 of this
3 subtitle;

4 (4) § 2–208 (“Class 6 pub–brewery license”), subject to § 25–404 of this
5 subtitle; [and]

6 (5) § 2–209 (“Class 7 micro–brewery license”), subject to § 25–405 of this
7 subtitle; AND

8 (6) § 2–216 (“INTERACTION BETWEEN MANUFACTURING ENTITIES
9 AND RETAILERS”), SUBJECT TO § 25–405 OF THIS SUBTITLE.

10 25–405.

11 (a) This section applies to a Class 7 micro–brewery (on– and off–sale) license in
12 the county.

13 (b) The license may be issued to the holder of:

14 (1) a Class B beer, wine, and liquor (on–sale) license that is issued for use
15 on the premises of a restaurant located in the county;

16 (2) subject to subsection (c) of this section, a Class D beer and wine license
17 that is issued for the sale of beer and wine, at retail, at the place described in the license,
18 for on– and off–premises consumption;

19 (3) a Class H beer and wine license that is issued for the sale of beer and
20 wine at a hotel or restaurant, at retail, at the place described in the license, for on–premises
21 consumption;

22 (4) a Class BD–BWL license that is issued for the sale of beer and wine for
23 on– and off–premises consumption, and liquor for on–premises consumption, at the place
24 described in the license;

25 (5) a Class B–BWL (clubhouse/lodge) license that is issued for the sale of
26 beer and wine for on– and off–premises consumption, and liquor for on–premises
27 consumption, at the place described in the license; or

28 (6) a Class D beer, wine, and liquor license that is issued for the sale of
29 beer, wine, and liquor for on–premises consumption, at the place described in the license.

30 (c) The Commission may not issue more than an aggregate amount of two Class
31 7 micro–brewery licenses to holders of Class D beer and wine licenses in the Town of
32 Kensington.

1 (d) A holder of the license shall enter into a written agreement with the Alcohol
2 Beverage Services for the sale and resale of malt beverages brewed under the license.

3 (e) (1) Subject to paragraphs (2), (3), and (4) of this subsection, the holder of a
4 Class 7 micro-brewery license may:

5 (i) brew in two locations using the same Class 7 micro-brewery
6 license; and

7 (ii) obtain a Class 2 rectifying license for the premises at the two
8 locations authorized under item (i) of this paragraph.

9 (2) The holder of a Class 7 micro-brewery license may brew in two locations
10 using the same Class 7 micro-brewery license if the license holder:

11 (i) requests permission by submitting a written application to the
12 Commission; and

13 (ii) obtains written approval from the Commission.

14 (3) Before authorizing a holder of a Class 7 micro-brewery license to brew
15 in two locations using the same Class 7 micro-brewery license, the Commission shall:

16 (i) make a determination that a second location to brew additional
17 capacity is necessary due to insufficient space at the existing Class 7 license location; and

18 (ii) consider any other factor relevant to approval of the application.

19 (4) Notwithstanding any other provision of this article, a holder of a Class
20 7 micro-brewery license may not serve or sell malt beverages for on- or off-premises
21 consumption at the second brewing location authorized under this subsection.

22 **(F) A HOLDER OF A CLASS B-BWL (CLUBHOUSE/LODGE) LICENSE THAT IS**
23 **ISSUED A CLASS 7 MICRO-BREWERY LICENSE IS NOT SUBJECT TO THE LICENSURE**
24 **RESTRICTION ON HOLDERS OF CLASS 7 MICRO-BREWERY LICENSES SET FORTH**
25 **UNDER § 2-216(E)(2) OF THIS ARTICLE.**

26 25-1003.

27 (a) There is a Class B-BWL (clubhouse/lodge) license.

28 (b) The Board may issue a Class B-BWL (clubhouse/lodge) license to the
29 Executive Director of the Montgomery County Revenue Authority or the designee of the
30 Executive Director, for use by a multiuse facility that accommodates a golf course, a
31 restaurant, a clubhouse, a tasting bar, and the catering of events anywhere on the property.

1 (c) The license authorizes the license holder to:

2 (1) sell beer and wine for off-premises consumption;

3 (2) sell beer, wine, and liquor for on-premises consumption; and

4 (3) offer samples of alcoholic beverages at no charge or for a fee.

5 (d) The restrictions contained in § 25-902(b) of this title do not apply to the
6 issuance of a Class B-BWL (clubhouse/lodge) license.

7 (e) The license holder may also hold:

8 (1) a Class 4 limited winery license in accordance with § 25-407 of this
9 title; and

10 (2) a Class 7 micro-brewery license in accordance with § 25-405 of this
11 title.

12 (f) The annual license fee is \$1,000.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
14 1, 2023.