

Chapter 836

(House Bill 1526)

AN ACT concerning

**Carroll County – Alcoholic Beverages – Class 1 Distillery On–Premises
Consumption Permit**

FOR the purpose of establishing in Carroll County a Class 1 distillery on–premises consumption permit; authorizing the Board of License Commissioners for Carroll County to issue the permit to a holder of a Class 1 distillery license; authorizing the holder of the permit to sell, prepare, and serve certain food, nonalcoholic beverages, and alcoholic beverages for on–premises consumption; authorizing the holder of the permit to use the licensed premises for events; and generally relating to Class 1 distillery on–premises consumption permits in Carroll County.

BY repealing and reenacting, without amendments,
Article – Alcoholic Beverages and Cannabis
Section 2–202(a), (e), and (i) and 16–102
Annotated Code of Maryland
(2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
Article – Alcoholic Beverages and Cannabis
Section 16–401
Annotated Code of Maryland
(2024 Replacement Volume and 2025 Supplement)

BY adding to
Article – Alcoholic Beverages and Cannabis
Section 16–406
Annotated Code of Maryland
(2024 Replacement Volume and 2025 Supplement)

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

Article – Alcoholic Beverages and Cannabis

2–202.

(a) There is a Class 1 distillery license.

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

(i) (1) A local licensing board may grant an on-site consumption permit for use at the location of the Class 1 distillery license to a holder of a Class 1 distillery license.

(2) (i) The permit authorizes the holder to sell mixed drinks made from liquor that the holder produces that is mixed with other nonalcoholic ingredients for on-premises consumption.

(ii) The holder may not use more than an aggregate of 7,750 gallons annually of liquor the holder produces for mixed drinks sold under subparagraph (i) of this paragraph.

(3) A local licensing board:

(i) may establish and charge a permit fee; and

(ii) shall require the permit holder to:

1. comply with the alcohol awareness requirements under § 4-505 of this article; and

2. abide by all applicable trade practice restrictions.

16-102.

This title applies only in Carroll County.

16-401.

(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)] § 2-203 (“Class 9 limited distillery license”);

[(4)] (3) § 2-204 (“Class 2 rectifying license”);

[(5)] (4) § 2-205 (“Class 3 winery license”);

[(6)] (5) § 2-207 (“Class 5 brewery license”);

[(7)] (6) § 2-210 (“Class 8 farm brewery license”);

[(8)] (7) § 2–211 (“Residency requirement”);

[(9)] (8) § 2–212 (“Additional licenses”);

[(10)] (9) § 2–213 (“Additional fees”);

[(11)] (10) § 2–214 (“Sale or delivery restricted”);

[(12)] (11) § 2–216 (“Interaction between manufacturing entities and retailers”);

[(13)] (12) § 2–217 (“Distribution of alcoholic beverages — Prohibited practices”); and

[(14)] (13) § 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) **§ 2–202 (“CLASS 1 DISTILLERY LICENSE”), SUBJECT TO § 16–406 OF THIS SUBTITLE;**

(2) § 2–206 (“Class 4 limited winery license”), subject to § 16–403 of this subtitle;

[(2)] (3) § 2–208 (“Class 6 pub–brewery license”), subject to § 16–404 of this subtitle; and

[(3)] (4) § 2–209 (“Class 7 micro–brewery license”), subject to § 16–405 of this subtitle.

16–406.

(A) **THERE IS A CLASS 1 DISTILLERY ON–SITE CONSUMPTION PERMIT.**

(B) **THE PERMIT MAY BE ISSUED TO A HOLDER OF A CLASS 1 DISTILLERY LICENSE.**

(C) **THE PERMIT SERVES AS THE ON–PREMISES CONSUMPTION PERMIT REQUIRED UNDER § 2–202(E) AND (I) OF THIS ARTICLE.**

(D) (1) THE PERMIT AUTHORIZES THE HOLDER TO SELL, PREPARE, AND SERVE:

~~(1)~~ **(I) FOOD;**

~~(2)~~ **(II) NONALCOHOLIC BEVERAGES; AND**

~~(3)~~ **(III) ALCOHOLIC BEVERAGES, INCLUDING BRANDY, RUM, WHISKEY, AND NEUTRAL SPIRITS THAT ARE DISTILLED, RECTIFIED, BLENDED, AND BOTTLED AT THE DISTILLERY FOR ON- AND OFF-PREMISES CONSUMPTION TO THE EXTENT THE PERMIT HOLDER IS AUTHORIZED UNDER THE CLASS 1 DISTILLERY LICENSE.**

~~(E)~~ **(2) THE AUTHORIZATION TO SELL, PREPARE, AND SERVE FOOD AND NONALCOHOLIC BEVERAGES UNDER THIS SECTION SUBSECTION IS SUBJECT TO APPROVAL BY THE CARROLL COUNTY HEALTH DEPARTMENT.**

(E) (1) THE PERMIT AUTHORIZES THE HOLDER TO USE THE LICENSED PREMISES FOR EVENTS.

(2) ANY ON-PREMISES CONSUMPTION OF ALCOHOLIC BEVERAGES AT AN EVENT HELD IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION SHALL COMPLY WITH SUBSECTION (D) OF THIS SECTION.

(F) AN APPLICATION FOR A PERMIT UNDER THIS SECTION SHALL INCLUDE A DIAGRAM OF THE PROPOSED AREA FOR CONSUMPTION UNDER THE PERMIT AND SHOW CLEAR DELINEATION FROM THE MANUFACTURING AND PROCESSING FACILITIES.

(G) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION AND TO SET THE ANNUAL PERMIT FEE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.

Approved by the Governor, May 26, 2026.