

Chapter 860

(House Bill 999)

AN ACT concerning

Alcoholic Beverages – Class 9 Limited Distillery License – Alteration

FOR the purpose of authorizing the holder of a Class 9 limited distillery license to manufacture, rectify, or bottle more than one brand of alcoholic beverage; authorizing the holder to manufacture or rectify up to a certain amount of product of an entity other than the holder; and generally relating to Class 9 limited distillery licenses.

BY repealing and reenacting, with amendments,
 Article – Alcoholic Beverages and Cannabis
 Section 2–203
 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

2–203.

(a) There is a Class 9 limited distillery license.

(b) The limited distillery license may be issued only to a holder of a:

(1) Class D beer, wine, and liquor license where sales for both on- and off-premises consumption are permitted for use on the premises for which the Class D license was issued; or

(2) Class B beer, wine, and liquor license where sales for both on- and off-premises consumption are permitted for use on the premises for which the Class B license was issued.

(c) A holder of the limited distillery license:

(1) may establish and operate a plant in the State for distilling, rectifying, and bottling brandy, rum, whiskey, alcohol, and neutral spirits [if the holder:

(i) maintains only one brand at any one time for each product of brandy, rum, whiskey, alcohol, and neutral spirits that is distilled, rectified, and sold; and

(ii) does not manufacture or rectify product of any other brand for another entity];

(2) may acquire bulk alcoholic beverages from the holder of a distillery or rectifying license in the State or from the holder of a nonresident dealer's permit;

(3) after acquiring an individual storage permit, may store on the licensed premises those products manufactured under the license;

(4) except as authorized under subsection (d)(1) of this section, may sell and deliver those products manufactured under the license only to a licensed wholesaler in the State or person authorized to acquire distilled spirits in another state and not to a county dispensary;

(5) may sell the products manufactured under the license at retail in a manner consistent with the underlying Class D or Class B license;

(6) may conduct guided tours of that portion of the licensed premises used for the limited distillery operation; and

(7) may serve not more than three samples of products manufactured at the licensed premises, with each sample consisting of not more than one-half ounce from a single product, to persons who:

(i) have attained the legal drinking age;

(ii) participated in a guided tour; and

(iii) are present on that portion of the premises used for the limited distillery operation.

(d) A holder of the limited distillery license may not:

(1) apply for or possess a wholesaler's license, except for a Class 8 liquor wholesaler's license;

(2) sell bottles of the products manufactured at the Class 9 limited distillery on that part of the premises used for the distillery operation;

(3) except as provided in subsection (e) of this section, distill, rectify, bottle, or sell more than 100,000 gallons of brandy, rum, whiskey, alcohol, and neutral spirits each calendar year;

(4) sell at retail on the premises of the Class D or Class B license, for on-premises or off-premises consumption, more than 31,000 gallons of the products manufactured under the license each calendar year; [and]

(5) **MANUFACTURE OR RECTIFY MORE THAN 31,000 GALLONS OF PRODUCT EACH CALENDAR YEAR FOR ANY OTHER BRAND OR ENTITY; AND**

(6) own, operate, or be affiliated in any manner with another manufacturer.

(e) To distill more than the gallonage specified in subsection (d)(3) of this section, a holder of the limited distillery license shall divest itself of any Class D or Class B retail license and obtain a Class 1 distillery license.

(f) A holder of the limited distillery license shall abide by all trade practice restrictions applicable to distilleries.

(g) The annual license fee:

(1) shall be determined by the Executive Director; and

(2) may not exceed \$500.

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

Approved by the Governor, May 26, 2026.