

SENATE BILL 807

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6lr3130

By: **Senator Bailey**

Introduced and read first time: February 6, 2026

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Class 8 Farm Brewery and Class 10 Farm Distillery**
3 **Licenses**

4 FOR the purpose of establishing a Class 10 farm distillery license that authorizes a license
5 holder to distill, rectify, bottle, and sell at wholesale or retail distilled spirits
6 produced on the licensed farm; requiring that a holder of a Class 8 farm brewery
7 license or a Class 10 farm distillery license engage in certain agritourism activity;
8 altering certain standards and requirements for food service under a Class 8 farm
9 brewery license; providing an exception to a prohibition against issuing an alcoholic
10 beverages license for a premises that does not comply with local zoning laws for Class
11 8 farm brewery and Class 10 farm distillery licenses; authorizing the holder of a
12 Class 10 farm distillery license to apply for and obtain additional Class 10 farm
13 distillery licenses under certain circumstances and a Class 8 liquor wholesaler's
14 license; and generally relating to Class 8 farm brewery and Class 10 farm distillery
15 alcoholic beverages licenses.

16 BY repealing and reenacting, with amendments,
17 Article – Alcoholic Beverages and Cannabis
18 Section 1–405, 2–210, and 2–212
19 Annotated Code of Maryland
20 (2024 Replacement Volume and 2025 Supplement)

21 BY adding to
22 Article – Alcoholic Beverages and Cannabis
23 Section 2–203.1
24 Annotated Code of Maryland
25 (2024 Replacement Volume and 2025 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Alcoholic Beverages and Cannabis

1–405.

(a) A license may not be issued for a premises unless the premises conforms to all requirements set out in this article or the Tax – General Article.

(b) **[A] EXCEPT FOR A CLASS 8 FARM BREWERY LICENSE ISSUED UNDER § 2–210 OF THIS ARTICLE OR A CLASS 10 FARM DISTILLERY LICENSE ISSUED UNDER § 2–203.1 OF THIS ARTICLE,** A license or an alcoholic beverages permit may not be issued for a premises unless the premises conforms with all zoning laws, regulations, or ordinances passed in accordance with Division I of the Land Use Article.

2–203.1.

(A) THERE IS A CLASS 10 FARM DISTILLERY LICENSE.

(B) THE LICENSE MAY BE ISSUED ONLY TO A HOLDER OF A CLASS 8 FARM BREWERY LICENSE.

(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A LICENSE HOLDER MAY SELL AND DELIVER SPIRITS PRODUCED ON THE LICENSED FARM TO:

(I) A WHOLESALER LICENSED TO SELL AND DELIVER SPIRITS IN THE STATE; OR

(II) A PERSON IN ANOTHER STATE AUTHORIZED TO ACQUIRE SPIRITS.

(2) THE DISTILLED SPIRITS TO BE SOLD AND DELIVERED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE MANUFACTURED WITH AN INGREDIENT FROM A MARYLAND AGRICULTURAL PRODUCT, INCLUDING CORN, GRAIN, AND FRUIT, PRODUCED ON THE LICENSED FARM.

(3) THE LICENSED FARM SHALL BE:

(I) AN AGRIBUSINESS ENGAGED IN THE PRODUCTION, SHOWCASING, PREPARATION, AND SALE OF FARM PRODUCTS; AND

(II) ACTIVELY ENGAGED IN AGRITOURISM BY EXPOSING THE PUBLIC TO FARMING AND VALUE-ADDED FARMING PRACTICES.

(D) A LICENSE HOLDER MAY:

1 **(1) (I) SUBJECT TO ITEM (II) OF THIS ITEM, ESTABLISH AND**
2 **OPERATE A PLANT ON THE LICENSED FARM FOR DISTILLING, RECTIFYING, AND**
3 **BOTTLING BRANDY, RUM, WHISKEY, ALCOHOL, AND NEUTRAL SPIRITS;**

4 **(II) HAVE MORE THAN ONE LICENSE ISSUED BY THE**
5 **COMMISSION AT THE SAME LOCATION IF THE LICENSE HOLDER:**

6 **1. MAINTAINS A SINGLE BRAND AT ANY TIME FOR EACH**
7 **PRODUCT OF BRANDY, RUM, WHISKEY, ALCOHOL, AND NEUTRAL SPIRIT THAT IS**
8 **DISTILLED, RECTIFIED, AND SOLD; AND**

9 **2. DOES NOT MANUFACTURE OR RECTIFY A PRODUCT OF**
10 **ANY OTHER BRAND FOR A SEPARATE ENTITY;**

11 **(III) HOLD OR OBTAIN:**

12 **1. A CLASS 7 LIMITED BEER WHOLESALER'S LICENSE;**
13 **OR**

14 **2. A CLASS 8 LIQUOR WHOLESALER'S LICENSE;**

15 **(2) ACQUIRE BULK ALCOHOLIC BEVERAGES FROM THE HOLDER OF A**
16 **DISTILLERY OR RECTIFYING LICENSE IN THE STATE OR THE HOLDER OF A**
17 **NONRESIDENT DEALER'S PERMIT;**

18 **(3) AFTER ACQUIRING AN INDIVIDUAL STORAGE PERMIT UNDER §**
19 **2-113 OF THIS TITLE, STORE PRODUCTS MANUFACTURED ON THE LICENSED FARM;**

20 **(4) SELL AND DELIVER THE PRODUCTS MANUFACTURED UNDER THE**
21 **LICENSE FOR ON-PREMISES AND OFF-PREMISES CONSUMPTION;**

22 **(5) CONDUCT GUIDED TOURS OF THE PORTION OF THE LICENSED**
23 **FARM USED FOR DISTILLING, RECTIFYING, AND BOTTLING;**

24 **(6) SERVE PRODUCTS THAT ARE MANUFACTURED ON THE LICENSED**
25 **FARM OR BY ANOTHER MANUFACTURER IN THE STATE TO A CONSUMER AT NO**
26 **CHARGE OR FOR A FEE;**

27 **(7) SELL OR SERVE FOOD IF THE LICENSE HOLDER:**

28 **(I) IS LICENSED TO OPERATE A FOOD ESTABLISHMENT UNDER**
29 **TITLE 21, SUBTITLE 3 OF THE HEALTH – GENERAL ARTICLE;**

(II) USES A LICENSED FOOD TRUCK;

(III) USES A LICENSED CATERER; OR

(IV) IS SELLING OR SERVING COTTAGE INDUSTRY FOOD
PREPARED ON THE FARM UNDER § 21-330.1 OF THE HEALTH – GENERAL ARTICLE;
AND

(8) IN ACCORDANCE WITH PARAGRAPH (C)(3) OF THIS SECTION:

(I) HOST FESTIVALS;

(II) PROVIDE LIVE MUSIC OR OTHER ENTERTAINMENT; OR

(III) RENT PORTIONS OF THE LICENSED FARM TO THE PUBLIC OR
PRIVATE INDIVIDUALS OR GROUPS FOR FUNCTIONS OR EVENTS, INCLUDING:

1. BANQUETS;

2. WEDDINGS;

3. ANNIVERSARY PARTIES;

4. BIRTHDAY PARTIES;

5. FUNDRAISERS; AND

6. OTHER SIMILAR CELEBRATIONS OR EVENTS.

(E) A LICENSE HOLDER MAY NOT:

(1) EXCEPT AS PROVIDED IN PARAGRAPH (D)(1) OF THIS SECTION:

(I) HOLD OR OBTAIN A WHOLESALER'S LICENSE; OR

(II) OWN, OPERATE, OR BE AFFILIATED IN ANY MANNER WITH
ANOTHER MANUFACTURER; OR

(2) DISTILL, RECTIFY, BOTTLE, OR SELL MORE THAN 100,000
GALLONS OF BRANDY, RUM, WHISKEY, ALCOHOL, OR NEUTRAL SPIRITS EACH
CALENDAR YEAR.

(F) A CLASS 10 FARM DISTILLERY MAY BE LOCATED ONLY AT THE PLACE

1 DESCRIBED IN THE LICENSE.

2 (G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND
3 NOTWITHSTANDING ANY LOCAL LAW, A LICENSE HOLDER MAY EXERCISE THE
4 PRIVILEGES OF A CLASS 10 FARM DISTILLERY LICENSE.

5 (2) THE COMMISSION HAS EXCLUSIVE REGULATORY AUTHORITY
6 OVER THE OPERATION OF A CLASS 10 FARM DISTILLERY.

7 (H) THE ANNUAL LICENSE FEE:

8 (1) SHALL BE DETERMINED BY THE EXECUTIVE DIRECTOR; AND

9 (2) MAY NOT EXCEED \$500.

10 2–210.

11 (a) There is a Class 8 farm brewery license.

12 (b) (1) Subject to paragraph (2) of this subsection, a license holder may sell
13 and deliver beer manufactured in a facility on the licensed farm or in a facility other than
14 one on the licensed farm to:

15 (i) a wholesaler licensed to sell and deliver beer in the State; or

16 (ii) a person in another state authorized to acquire beer.

17 (2) The beer to be sold and delivered under paragraph (1) of this subsection
18 shall be manufactured with an ingredient from a Maryland agricultural product, including
19 hops, grain, and fruit, produced on the licensed farm.

20 (3) THE LICENSED FARM SHALL BE:

21 (I) AN AGRIBUSINESS ENGAGED IN THE PRODUCTION,
22 SHOWCASING, PREPARATION, AND SALE OF FARM PRODUCTS; AND

23 (II) ACTIVELY ENGAGED IN AGRITOURISM BY EXPOSING THE
24 PUBLIC TO FARMING AND VALUE-ADDED FARMING PRACTICES.

25 (c) A license holder may:

26 (1) (i) sell beer produced by the license holder OR ANOTHER
27 MANUFACTURER IN THE STATE for on-premises and off-premises consumption;

(ii) in an amount not exceeding 6 fluid ounces per brand, provide samples of beer that the license holder produces to a consumer:

1. at no charge; or

2. for a fee; **AND**

(iii) sell or serve[:

1. bread and other baked goods;

2. chili;

3. chocolate;

4. crackers;

5. cured meat;

6. fruits (whole and cut);

7. hard and soft cheese (whole and cut);

8. salads and vegetables (whole and cut);

9. ice cream;

10. jam;

11. jelly;

12. vinegar;

13. pizza;

14. prepackaged sandwiches and other prepackaged foods

ready to be eaten;

15. soup; and

16. condiments; and

(iv) subject to subsection (e)(2) of this section, sell or serve any] food if the license holder:

1. is licensed to operate a food establishment under Title 21, Subtitle 3 of the Health – General Article;

1 **2. USES A LICENSED FOOD TRUCK;**

2 **3. USES A LICENSED CATERER; OR**

3 **4. IS SELLING OR SERVING COTTAGE INDUSTRY FOOD**
4 **PREPARED ON THE FARM UNDER § 21-330.1 OF THE HEALTH – GENERAL ARTICLE;**

5 (2) store, in a segregated area approved by the Executive Director, beer
6 produced by the license holder for sale and delivery to a wholesaler licensed in the State or
7 a person outside the State authorized to acquire the beer;

8 (3) brew, bottle, or contract for not more than 15,000 barrels of beer each
9 calendar year;

10 (4) contract with the holder of a Class 2 rectifying license, a Class 5
11 brewery license, or a Class 7 micro-brewery license to brew and bottle beer from
12 ingredients produced on the licensed farm;

13 (5) import, export, and transport its beer in accordance with this section;

14 (6) store, brew, and bottle beer in a facility listed on a permit issued to the
15 license holder in accordance with § 2-113 of this title, for sale and delivery to a wholesaler
16 licensed in the State or a person outside the State authorized to acquire the beer, or
17 shipment back to the licensed farm, if:

18 (i) the license holder does not serve or sell beer at the warehouse;
19 and

20 (ii) the Executive Director has full access at all times to the
21 warehouse to enforce this article; [and]

22 (7) enter into a temporary delivery agreement with a distributor only for
23 delivery of beer to a beer festival or a wine and beer festival, and the return of any unused
24 beer, if:

25 (i) the festival is in a sales territory for which the license holder does
26 not have a franchise with a distributor under the Beer Franchise Fair Dealing Act in Title
27 5, Subtitle 1 of this article; and

28 (ii) the temporary delivery agreement is in writing; **AND**

29 **(8) IN ACCORDANCE WITH SUBSECTION (B)(3) OF THIS SECTION:**

30 **(I) HOST FESTIVALS;**

(II) PROVIDE LIVE MUSIC OR OTHER ENTERTAINMENT; OR

(III) RENT PORTIONS OF THE LICENSED FARM TO THE PUBLIC OR PRIVATE INDIVIDUALS OR GROUPS FOR FUNCTIONS OR EVENTS, INCLUDING:

1. BANQUETS;

2. WEDDINGS;

3. ANNIVERSARY PARTIES;

4. BIRTHDAY PARTIES;

5. FUNDRAISERS; AND

6. OTHER SIMILAR CELEBRATIONS OR EVENTS.

(d) [(1)] A Class 8 farm brewery may be located only at the place stated on the license.

[(2)] The place listed on the license shall be in compliance with § 1–405(b) of this article.]

(e) (1) [Except as provided in] **SUBJECT TO** paragraph (2) of this subsection and notwithstanding any local law, a license holder may exercise the privileges of a Class 8 farm brewery license.

(2) [A license holder who sells foods under subsection (c)(1)(iv) of this section shall meet the same ratio of gross receipts between food and alcoholic beverages sales as a holder of a Class D beer and wine license or an equivalent license in the jurisdiction, as the local licensing board determines] **THE COMMISSION HAS EXCLUSIVE REGULATORY AUTHORITY OVER THE OPERATION OF A CLASS 8 FARM BREWERY.**

(3) EXCEPT AS PROVIDED IN A LOCAL FIRE SAFETY CODE, THE COMMISSION MAY NOT LIMIT THE NUMBER OF VISITORS ON THE LICENSED PREMISES.

(f) (1) This subsection does not apply to a permit issued under § 2–140 of this title.

(2) A license holder at the location listed on the license may exercise the **RETAIL** privileges of the license each day from 10 a.m. to 10 p.m.

(g) Except as provided in Division II of this article, a Class 8 farm brewery license allows the license holder to operate 7 days a week.

(h) Nothing in this section limits the application of relevant provisions of Title 21 of the Health – General Article, and regulations adopted under that title, to a license holder.

(i) (1) A license holder may sponsor a multibrewery activity at the location issued on the license that:

(i) includes the products of other Maryland breweries; and

(ii) provides for the sale of products in the manner authorized under the license.

(2) In a segregated area approved by the Executive Director at the location listed on the license, a license holder may store the products of other Maryland breweries for the multibrewery activity.

(3) The multibrewery activity:

(i) may be held from 10 a.m. to 10 p.m. each day; and

(ii) may not exceed 3 consecutive days.

(j) The annual license fee:

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

(2) may not exceed \$200.

(k) (1) On or before December 1 each year, the Executive Director shall report to the Senate **FINANCE** Committee [on Education, Energy, and the Environment] and the House [Economic Matters] **GOVERNMENT, LABOR, AND ELECTIONS** Committee, in accordance with § 2–1257 of the State Government Article, the total beer production of each Class 8 license holder in the preceding fiscal year, identified by jurisdiction and license holder.

(2) Each holder of a Class 8 license shall report to the Executive Director the information needed to prepare the annual report required under this subsection.

(3) The Executive Director shall include the information reported under this subsection in the annual report submitted under § 1–316 of this article.

2–212.

(a) (1) This subsection does not apply to a Class 6 pub–brewery license.

(2) The holder of a distillery, **FARM DISTILLERY**, rectifying, winery, limited winery, brewery, or farm brewery license may apply for and obtain, under a

different name, one or more additional distillery, **FARM DISTILLERY**, rectifying, winery, limited winery, brewery, or farm brewery licenses for the same or different premises.

(3) (i) The holder of multiple manufacturer's licenses at the same location may allow the sampling, sales, and consumption of products produced under the licenses at each of the licensed premises.

(ii) The sampling, sales, and consumption of products shall be consistent with the authorization for each license.

(4) The additional licenses may be issued to different persons or under trade names used by persons occupying all or a part of the same premises.

(5) A holder of a license listed in paragraph (2) of this subsection may hold additional licenses listed in paragraph (2) of this subsection of the same or of a different class.

(6) The holder of a micro-brewery license may apply for and obtain not more than one additional micro-brewery license for another premises.

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

(ii) 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.

(iii) A holder of a Class 5 brewery license that produces in 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) A holder of one or two Class 7 micro-brewery licenses that 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:

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

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

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

7 (6) The holder of a Class 9 limited distillery license **OR A CLASS 10 FARM**
8 **DISTILLERY LICENSE** may apply for and obtain a Class 8 liquor wholesaler's license, for
9 the same premises or elsewhere as provided under this article, and distribute its own liquor.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
11 1, 2026.