

# SENATE BILL 807

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By: Senator Bailey

Introduced and read first time: February 6, 2026

Assigned to: Finance

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## 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:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



## Article – Alcoholic Beverages and Cannabis

2 1-405.

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

5 (b) [A] EXCEPT FOR A CLASS 8 FARM BREWERY LICENSE ISSUED UNDER §  
6 2-210 OF THIS ARTICLE OR A CLASS 10 FARM DISTILLERY LICENSE ISSUED UNDER  
7 § 2-203.1 OF THIS ARTICLE, A license or an alcoholic beverages permit may not be issued  
8 for a premises unless the premises conforms with all zoning laws, regulations, or ordinances  
9 passed in accordance with Division I of the Land Use Article.

10 2-203.1.

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

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

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

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

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

24 (3) THE LICENSED FARM SHALL BE:

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

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

29 (D) A LICENSE HOLDER MAY:

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

11 (III) HOLD OR OBTAIN:

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

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

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  
IE FARM UNDER § 21-330.1 OF THE HEALTH – GENERAL ARTICLE;

(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**

**10 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  
PACTURER; OR

22 (2) DISTILL, RECTIFY, BOTTLE, OR SELL MORE THAN 100,000  
23 GALLONS OF BRANDY, RUM, WHISKEY, ALCOHOL, OR NEUTRAL SPIRITS EACH  
24 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; AND23 (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;

3 1. at no charge; or

4 2. for a fee; AND

5 (iii) sell or serve[:

6 1. bread and other baked goods;

7 2. chili;

9 4. crackers;

10 5. cured meat;

11 6. fruits (whole and cut);

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

13 8. salads and vegetables (whole and cut);

14 9. ice cream;

15 10. jam;

16 11. jelly;

17 12. vinegar;

18 13. pizza;

14. prepackaged sandwiches and other prepackaged foods

20 ready to be eaten;

21 15. soup; and

22 16. condiments; and

23 (iv) subject to subsection (e)(2) of this section, sell or serve any] food

24 if the license holder:

25 1. is licensed to operate a food establishment under Title 21,

## 26 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  
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  
e.

[(2) The place listed on the license shall be in compliance with § 1-405(b) of

(e) (1) [Except as provided in] **SUBJECT TO** paragraph (2) of this subsection notwithstanding any local law, a license holder may exercise the privileges of a Class **n** 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 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 MISSION MAY NOT LIMIT THE NUMBER OF VISITORS ON THE LICENSED ISES.

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

(2) A license holder at the location listed on the license may exercise the  
IL 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 shall require the license holder to operate 7 days a week.

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

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

### 11 (3) The multibrewery activity:

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

13 (ii) may not exceed 3 consecutive days.

14 (j) The annual license fee:

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

16 (2) may not exceed \$200.

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

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

27 2-212.

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

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

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

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

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

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

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

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

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

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

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

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

32 (4) A holder of one or two Class 7 micro-brewery licenses that produces in  
33 aggregate from all of its locations not more than 45,000 barrels of beer annually may obtain  
34 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.

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

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