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DEPUTY MAJORITY WHIP

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony for SB 1039
Alcoholic Beverages – Class 5 Breweries – On-Premises Consumption
Before: Finance Committee
March 11, 2025

Good afternoon Madame Chair Beidle, members of the Finance Committee,

Senate Bill 1039 would increase the cap on how much of a Class 5 brewery's taproom sales can be from beer that wasn't produced onsite by the Class 5 brewery. Currently, the law allows 25% of taproom sales to come from imported beer. SB 1039 would increase the percentage to 35%. The bill would not change any of the other limitations in the law that the Class 5 brewery needs to comply with in order to sell imported beer in its taproom – including that the brand owner of the beer has to be an affiliate of the Class 5 brewery, and that the imported beer has to be purchased by the Class 5 brewery from a licensed wholesaler in the State. The bill would also not change the overall cap in the amount of beer that can be sold in the taproom.

I introduced this bill for Open Gate Brewery, a Class 5 brewery located in my district. Since opening seven years ago, Open Gate Brewery has become one of Baltimore County's largest tourist attractions and has been a good community partner over these years. Open Gate Brewery is known for the unique craft beers it brews onsite that are offered in its taproom, but it also offers the iconic Guinness Stout in the taproom and other beers that are only brewed by Guinness in Dublin. Because these beers are not brewed onsite, Open Gate Brewery imports them through a local Maryland distributor and their sale in the taproom is subject to the cap in the Class 5 statute. However, with the increasing popularity of Guinness in the market, it is becoming difficult for Open Gate Brewery to keep taproom sales of Guinness under the current limit.

The current cap of 25% was put in place eight years ago before Open Gate Brewery opened, and SB1039 simply asks for a modest update in the cap to 35% in order to align with customer preferences.

I urge the Finance Committee to give SB 1039 a favorable report.