



# ATCC

Alcohol, Tobacco, and Cannabis Commission

Wes Moore  
Governor

Aruna K. Miller  
Lt. Governor

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Executive Director

February 20, 2026

**BILL: SB807 - Letter of Information – SB807 – Alcoholic Beverages - Class 8 Farm Brewery and Class 10 Farm Distillery Licenses**

**COMMITTEE: Finance**

**POSITION: Letter of Information**

**RE: Letter of Information – SB807 – Alcoholic Beverages - Class 8 Farm Brewery and Class 10 Farm Distillery Licenses**

Dear Chair Beidle and Members of the Committee:

**I write on behalf of the Alcohol, Tobacco, and Cannabis Commission (ATCC) to provide this Letter of Information to the Senate Finance Committee regarding SB807 – Alcoholic Beverages – Class 8 Farm Brewery and Class 10 Farm Distillery Licenses.**

SB807 substantially alters the existing Class 8 Farm Brewery License and establishes a new Class 10 Farm Distillery License. As drafted, the bill would provide significantly expanded authority to these license holders to manufacture, distill, rectify, distribute, and sell at retail brewed and distilled products. It also grants food service and event hosting privileges to these farm businesses. The scope of activities authorized under SB807 represents a marked expansion beyond the privileges associated with any alcoholic beverage manufacturing license class issued by the ATCC.

In addition, SB807 would create a new regulatory structure applicable solely to Class 8 Farm Brewery and Class 10 Farm Distillery license holders, granting the ATCC exclusive regulatory authority over the operation of these businesses. The ATCC traditionally regulates the conduct of a license holder in connection with the alcoholic beverage activities authorized by the license in conjunction with a local licensing board. Generally local authorities regulate and enforce their unique local ordinances and regulations. However, the ATCC is not, and historically has not been, the exclusive regulator of all activities or facilities located at a licensed premises.

A network of State and local agencies shares the responsibility to oversee the operation of Maryland businesses. For example, local health departments inspect and regulate food preparation, service, and hygiene practices; local planning and zoning authorities permit and oversee the intended use of buildings and properties; and federal and State agencies—including the Office of the Comptroller, the Maryland Department of Agriculture, the Maryland Department of Labor, and State and federal workplace safety agencies—regulate worker safety conditions, farming practices, and tax compliance.

The ATCC does not possess the subject matter expertise or infrastructure to absorb and conduct the regulatory oversight currently provided by these focused regulatory agencies absent significant additional resources and statutory authority.

Significantly, SB807 exempts Class 8 and Class 10 license holders from local planning and zoning requirements. While this exemption may reduce certain administrative burdens, it would also significantly curtail local control over land use and community planning. The ATCC notes that no comparable exemption exists for any class of license holder within the Alcoholic Beverages and Cannabis Article.

The ATCC further notes that SB807 authorizes a Class 8 Farm Brewery License holder to sell beer produced by another manufacturer in the State. This privilege may expose the State to a risk of litigation. In December 2025, a United States District Court held that Maryland's Direct-to-Consumer Delivery law—which permitted in-state manufacturers to deliver alcoholic beverages directly to Maryland consumers but excluded out-of-state manufacturers—was unconstitutional. SB807 may trigger similar constitutional challenges. The ATCC would additionally note that this litigation has thus far been costly to the State and is currently presenting a General Fund liability. If faced with similar challenges under SB0807, these litigation risks and financial liabilities may additionally persist.

As discussed above, this legislation significantly expands the scope of ATCC's regulatory authority beyond our established expertise as the alcoholic beverages' regulator. To meet the needs of SB0807 as introduced, the ATCC would need to bring in, or otherwise contract out individuals or other agencies with the knowledge and experience with worker safety conditions, farming practices, food safety provisions, and tax compliance.

**On behalf of the ATCC, we would like to thank the Committee for their time and consideration of the ATCC's Letter of Information regarding SB807 – Alcoholic Beverages - Class 8 Farm Brewery and Class 10 Farm Distillery Licenses**

The ATCC appreciates the Committee's consideration of these significant operational, legal, and fiscal implications and remains available to provide additional information as needed. I am available to answer any questions or concerns that you may have related to this Letter of Information on this piece of legislation.

Respectfully submitted,



Jeffrey A. Kelly  
Executive Director  
Alcohol, Tobacco, and Cannabis Commission of Maryland