

SenatorBailey_FAV_SB807.pdf

Uploaded by: Jack Bailey

Position: FAV

JACK BAILEY
Legislative District 29
Calvert and St. Mary's Counties

Budget & Taxation Committee



THE SENATE OF MARYLAND
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February 20, 2026

Senate Bill 807 – Alcoholic Beverages - Class 8 Farm Brewery and Class 10 Farm Distillery Licenses

Dear Chair Beidle and Members of the Committee,

I am writing to introduce Senate Bill 807. This bill would support Maryland small businesses by establishing a new Class 10 Farm Distillery License and revising provisions of law governing the existing Class 8 Farm Brewery License.

This bill requires Class 8 Farm Breweries to be agribusinesses engaged in the production, showcasing, preparation, and sale of farm products and actively engaged in agritourism by exposing the public to farming and value-added farming practices. The bill also removes a very specific list of what foods can be sold or served at a farm brewery and instead authorizes selling or serving any food using a licensed food truck or caterer or any cottage food prepared on the farm. This legislation will also allow farm breweries to host festivals, provide live music or other entertainment, and rent portions of the farm for functions or events, and permits the brewery to sell beer produced by another manufacturer in the State in addition to beer produced by the license holder.

The Class 10 Farm Distillery license this bill creates is similar to the existing Class 8 Farm Brewery license as amended by this bill. It can only be issued to the holder of a Class 8 Farm Brewery license, and requires the distilled spirits sold and delivered under this license to be manufactured with an ingredient from a Maryland agricultural product. The holder of a Class 10 Farm Distillery license is authorized to distill, rectify, bottle, or sell up to 100,000 gallons of brandy, rum, whiskey, alcohol, or neutral spirits each calendar year.

As I know you are aware, agritourism has become an important part of Maryland's agricultural landscape and expansion of these small businesses would provide greater opportunity for much-needed economic growth in our State. Through agritourism, these businesses can grow our economy while still protecting the rural landscapes that are so much a part of Maryland's heritage. Last year, this Committee passed legislation that I sponsored to ease the regulatory burden on agritourism businesses. I believe that this legislation is a continuation of these efforts and is consistent with other changes in law that we have made over the past several years to encourage the lasting success of agritourism businesses in Maryland and support our State's farmers.

I respectfully request a favorable report for Senate Bill 807. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Bailey", written over a horizontal line.

Senator Jack Bailey

MDFB Support to SB807.pdf

Uploaded by: Ryan Snow

Position: FAV



Maryland Farm Bureau

3358 Davidsonville Road | Davidsonville, MD 21035
410-922-3426 | www.mdfarmbureau.com

February 18, 2026

To: Senate Finance Committee

From: Maryland Farm Bureau

RE: **SUPPORT – Alcoholic Beverages - Class 8 Farm Brewery and Class 10 Farm Distillery Licenses**

On behalf of the 7,000 members of the Maryland Farm Bureau, we respectfully request a **FAVORABLE** report on Senate Bill 807.

SB 807 establishes a Class 10 Farm Distillery License and strengthens the existing Class 8 Farm Brewery framework by reinforcing the requirement that these operations remain bona fide agribusinesses actively engaged in production and agritourism.

MDFB policy strongly supports value-added agriculture, agritourism, and diversification tools that allow farm families to remain economically viable. Farm breweries and distilleries provide critical supplemental income streams, expand markets for Maryland-grown grain, corn, fruit, and other commodities, and create rural jobs while keeping land in active agricultural production. SB 807 aligns squarely with Farm Bureau policy supporting private property rights, on-farm processing, and opportunities that enhance farm profitability without removing land from production.

For these reasons, Maryland Farm Bureau respectfully urges a favorable report on Senate Bill 807.

Please reach out to Tyler Hough at though@marylandfb.org with any questions.

SB0807-FIN_MACo_OPP.pdf

Uploaded by: Dominic Butchko

Position: UNF



Senate Bill 807

Alcoholic Beverages - Class 8 Farm Brewery and Class 10 Farm Distillery Licenses

MACo Position: **OPPOSE**

To: Finance Committee

Date: February 20, 2026

From: Dominic Butchko

The Maryland Association of Counties (MACo) **OPPOSES** SB 807. While framed as support for farm-based breweries and distilleries, this bill eliminates a core element of local zoning authority for businesses operating under a Class 8 Farm Brewery License or the newly created Class 10 Farm Distillery License. The extensive language in SB 807 dealing with zoning/permit approvals and the wide range of proposed allowable uses for these licensees belies the traditional nature of alcoholic beverage-focused legislation, and merits full attention on its debatable merits.

Current law requires alcoholic beverage licenses to comply with local zoning laws before issuance. SB 807 creates a sweeping exemption from that requirement for certain breweries and distilleries, and further grants the State Commission broad exclusive regulatory authority over their operations. As drafted, this bill removes not only the ability of counties to apply zoning standards (i.e. noise controls, traffic mitigation, and water and wastewater reviews) but also, as drafted, appears to entirely preempt any local authority over industrial-scale distilleries.

In practice, this change would allow large, high-impact facilities to be located anywhere agricultural land exists, including areas just outside established urban and suburban communities, without meaningful local review of site-specific impacts. Counties would have no ability to evaluate whether local roads can accommodate increased traffic, whether wells, septic, water, or sewer systems are sufficient, or whether surrounding residential areas are properly insulated from late-night events, amplified music, or large gatherings. Severing these considerations is unwise.

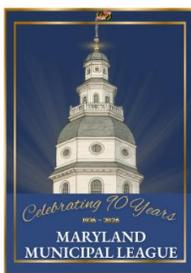
While proponents may characterize this broad legislation as a lifeline for small, family-operated farms, SB 807 also authorizes significantly expanded operational privileges. A Class 10 Farm Distillery may distill and sell up to 100,000 gallons of spirits annually per license (with a clear authorization of multiple licenses for a single facility), host festivals, provide live entertainment, and rent space for weddings and large private events, all without compliance with local requirements. These are not incidental agricultural activities; they are event venues and industrial-scale production facilities with substantial infrastructure demands.

Land use planning is fundamentally, and properly, driven at the community level. Decisions about where higher-intensity commercial or industrial uses belong are best made with local knowledge of roads, utilities, environmental constraints, and community context. Removing that authority risks unintended consequences for residents, farmers, and businesses alike. For these reasons, MACo respectfully urges the Committee to give SB 807 an **UNFAVORABLE** report.

MML - SB807 - UNF.pdf

Uploaded by: Justin Fiore

Position: UNF



TESTIMONY

COMMITTEE: Senate Finance

DATE: February 20, 2026

POSITION: Unfavorable

BILL: SB 807

The Maryland Municipal League (MML) respectfully opposes SB 807. While we support the growth of Maryland's craft beverage industry, this bill effectively erodes the local authority that ensures those businesses are compatible with their surroundings.

For starters, the bill allows a Class 10 license holder to produce up to 100,000 gallons of spirits annually, contract with food trucks, and even host large festivals with no local oversight or input. These aren't "small" businesses.

Municipalities are responsible for the safety and quality of life of their residents. By granting the State Commission "exclusive regulatory authority" over these operations, SB 807 strips local governments of the ability to enforce community standards regarding large festivals, amplified music, and high-occupancy event venues.

Furthermore, SB 807 creates a rare and sweeping exemption to the requirement that alcoholic beverage licenses must comply with local zoning laws. Local roads and utility systems are planned based on predictable zoning. Allowing high-intensity commercial uses to bypass this process risks overwhelming local infrastructure—costs that ultimately fall back on municipal taxpayers rather than the developer.

Effective land-use planning is a delicate balance of economic growth and community stability. SB 807 tips that balance by prioritizing one industry over the established rights of every other business and resident in a community. The Maryland Municipal League believes that all commercial enterprises—regardless of the product they manufacture—should remain subject to the local standards that protect the public interest.

For these reasons, we respectfully request an unfavorable report on SB 807.

For more information relating to this piece of testimony, please contact:

Justin Fiore: Director, Advocacy and Public Policy, justinf@mdmunicipal.org

Letter of Information - SB807 - Alcoholic Beverage

Uploaded by: Thomas Akras

Position: INFO



ATCC

Alcohol, Tobacco, and Cannabis Commission

Wes Moore
Governor

Aruna K. Miller
Lt. Governor

Jeffrey A. Kelly
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