

HOUSE BILL 1010

A1

(9lr1860)

ENROLLED BILL

— *Economic Matters/ Education, Health, and Environmental Affairs* —

Introduced by **Delegates Atterbeary, Brooks, Anderton, Boteler, Bridges, Buckel, Carr, Cassilly, Chang, Charles, Corderman, Cullison, W. Fisher, Ghrist, Gilchrist, Grammer, Hornberger, Ivey, Jackson, Kelly, Kerr, Krimm, J. Lewis, Lierman, Lisanti, Lopez, Luedtke, Moon, Mosby, Palakovich Carr, Pippy, Queen, Reilly, Reznik, Saab, Shetty, Shoemaker, Smith, Solomon, Stewart, Szeliga, Valderrama, Washington, Wilkins, K. Young, and P. Young**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Brewery Modernization Act of 2019**

3 FOR the purpose of authorizing a holder of a Class 5 brewery license, under certain
4 circumstances, to serve samples of beer and sell beer for off-premises consumption
5 at the location described in the license; authorizing the holder to brew and bottle
6 malt beverages at a location listed on an individual storage permit; ~~requiring a local~~
7 ~~licensing board to grant an on-site consumption permit to an applicant that holds a~~
8 ~~Class 5 brewery license or a Class D beer license or its equivalent;~~ authorizing a local
9 licensing board to conditionally grant an applicant an on-site consumption permit
10 or a Class D beer license that will become effective after the applicant meets certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 requirements; specifying that a Class D beer license entitles the holder to sell beer
 2 that is fermented and brewed at a certain location; altering the amount of beer that
 3 a holder of a Class 5 brewery license may sell annually for on-premises consumption;
 4 repealing certain provisions of law that allow a holder of a Class 5 brewery license
 5 to sell a certain amount of beer under certain circumstances; ~~repealing certain~~
 6 ~~provisions of law concerning hours of sale and specifying the hours of sale for any~~
 7 ~~holder of a Class 5 brewery license with an on-site consumption permit and a Class~~
 8 ~~D license or equivalent license~~; specifying that certain hours of sale do not apply to
 9 transferees of certain licenses; authorizing a holder of a Class 7 micro-brewery
 10 license to hold an additional Class 7 micro-brewery license under certain
 11 circumstances; altering the amount of malt beverages that a holder of a Class 7
 12 micro-brewery license may brew, bottle, or contract for each calendar year;
 13 authorizing a holder of a Class 7 micro-brewery license to be granted a Class 7
 14 limited beer wholesaler's license; altering the amount of beer a Class 7
 15 micro-brewery license holder may sell at retail each calendar year; altering the
 16 location where a holder of a Class 8 farm brewery license may store beer produced
 17 by the license holder; authorizing a holder of a Class 8 farm brewery license to store,
 18 brew, and bottle beer in a certain facility; authorizing a holder of a Class 8 farm
 19 brewery license to exercise certain privileges, sponsor certain activities, and store
 20 certain products at a certain location; altering the hours during which a holder of a
 21 Class 8 farm brewery license may exercise the privileges of the license; altering the
 22 amount of beer that the holder of a Class 5 manufacturer's license or a Class 7
 23 micro-brewery license may distribute under a Class 7 limited beer wholesaler's
 24 license; requiring, instead of authorizing, the Comptroller to include certain
 25 information in a certain report; requiring the Comptroller to report to certain entities
 26 certain information regarding beer production; requiring certain license holders to
 27 report certain information to the Comptroller; requiring the Comptroller to include
 28 certain information in a certain annual report; and generally relating to Class 5
 29 brewery licenses, Class 7 micro-brewery licenses, ~~and~~ Class 8 farm brewery licenses,
 30 and Class 7 limited beer wholesaler's licenses.

31 BY repealing and reenacting, with amendments,

32 Article – Alcoholic Beverages

33 Section 2–207, 2–209, ~~and~~ 2–210, 2–308(b) and (c), and 2–311(b)(3)

34 Annotated Code of Maryland

35 (2016 Volume and 2018 Supplement)

36 BY repealing and reenacting, without amendments,

37 Article – Alcoholic Beverages

38 Section 2–208(a)

39 Annotated Code of Maryland

40 (2016 Volume and 2018 Supplement)

41 BY adding to

42 Article – Alcoholic Beverages

43 Section 2–208(i)

44 Annotated Code of Maryland

1 (2016 Volume and 2018 Supplement)

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

4 **Article – Alcoholic Beverages**

5 2–207.

6 (a) In this section, “affiliate” means a person that directly or indirectly through
7 one or more intermediaries controls, is controlled by, or is under common control with a
8 holder of a Class 5 brewery license.

9 (b) There is a Class 5 brewery license.

10 (c) A license holder may:

11 (1) establish and operate a plant for brewing and bottling malt beverages
12 at the location described in the license;

13 (2) import beer from a holder of a nonresident dealer’s permit;

14 (3) contract to brew and bottle beer with and on behalf of the holder of a
15 Class 2 rectifying license, Class 5 brewery license, Class 7 micro–brewery license, Class 8
16 farm brewery license, or a nonresident dealer’s permit;

17 (4) sell and deliver beer to:

18 (i) a holder of a wholesaler’s license that is authorized to acquire
19 beer; or

20 (ii) a person outside of the State that is authorized to acquire beer;

21 (5) subject to subsection (i) of this section, serve, **AT THE LOCATION**
22 **DESCRIBED IN THE LICENSE AND** at no charge, samples of beer, consisting of a total of
23 not more than 18 ounces of beer per visit, to an individual who:

24 (i) has attained the legal drinking age; and

25 (ii) is participating in a guided tour of the brewery or attends a
26 scheduled promotional event or other organized activity at the brewery;

27 (6) subject to subsections (d) and (i) of this section, sell beer for
28 off–premises consumption **AT THE LOCATION DESCRIBED IN THE LICENSE**, at retail in
29 a container other than a keg to an individual [participating in a guided tour of the brewery

1 or attending a scheduled promotional event or other organized activity at the brewery; and]
 2 **WHO HAS ATTAINED LEGAL DRINKING AGE;**

3 (7) subject to subsection (f) of this section, sell beer at the location described
 4 in the license for on-premises consumption; **AND**

5 **(8) BREW AND BOTTLE MALT BEVERAGES AT A LOCATION LISTED ON**
 6 **A PERMIT ISSUED TO THE ~~LICENSED~~ LICENSE HOLDER IN ACCORDANCE WITH §**
 7 **2-113 OF THIS TITLE.**

8 (d) An individual may purchase beer under subsection (c)(6) of this section if the
 9 individual:

10 (1) purchases not more than 288 ounces of beer per visit; and

11 (2) has attained the legal drinking age.

12 (e) The annual license fee is \$1,500.

13 (f) (1) **(I)** A local licensing board ~~may~~ **SHALL** grant an on-site
 14 consumption permit to an applicant that holds a Class 5 brewery license and, subject to
 15 paragraph [(6)] **(5)** of this subsection, a Class D beer license.

16 **(II) ON REQUEST, A LOCAL LICENSING BOARD MAY GRANT AN**
 17 **APPLICANT A CONDITIONAL ON-SITE CONSUMPTION PERMIT OR A CONDITIONAL**
 18 **CLASS D BEER LICENSE.**

19 **(III) THE CONDITIONAL PERMIT OR CONDITIONAL LICENSE**
 20 **SHALL BECOME EFFECTIVE AFTER THE APPLICANT:**

21 **1. FILES A COMPLETED BREWER'S NOTICE FORM WITH**
 22 **THE U.S. DEPARTMENT OF TREASURY;**

23 **2. OBTAINS A CLASS 5 BREWERY LICENSE; AND**

24 **3. FULFILLS ANY OTHER OBLIGATION REQUIRED BY LAW**
 25 **THAT THE LOCAL LICENSING BOARD IDENTIFIES.**

26 (2) Subject to the maximum volume limit under paragraph (4) of this
 27 subsection, a Class D beer license or an equivalent license under paragraph [(6)] **(5)** of this
 28 subsection entitles the holder to sell to an individual who has attained the legal drinking
 29 age, for on-premises consumption at the brewery:

30 (i) beer:

1 1. of which the holder of the Class 5 license is the brand
2 owner; and

3 2. that is fermented and brewed entirely [at the brewery of
4 the license holder] **BY THE LICENSE HOLDER AT A LOCATION AUTHORIZED BY THIS**
5 **SECTION;**

6 (ii) beer that is fermented and brewed entirely at the brewery under
7 contract with a brand owner who does not possess a Class 5 license; and

8 (iii) subject to paragraph (3) of this subsection, beer brewed at a
9 location other than the Class 5 brewery if:

10 1. the brand owner of the beer is the holder of the Class 5
11 license or an affiliate of the holder of the Class 5 license;

12 2. the number of barrels of the beer sold for on-premises
13 consumption under the Class D beer license or an equivalent license or an on-site
14 consumption permit in a calendar year does not exceed the greater of:

15 A. 25% of the total number of barrels of beer sold for
16 on-premises consumption under the Class D license or an equivalent license or an on-site
17 consumption permit in that calendar year; or

18 B. 1.2% of total finished production under the Class 5
19 brewery license; and

20 3. A. the license holder contracts with or on behalf of a
21 holder of a manufacturer's license or nonresident dealer's permit; or

22 B. the beer is manufactured by an affiliate of the license
23 holder.

24 (3) (i) This paragraph applies to a Class 5 brewery with more than
25 1,000,000 barrels of finished production annually, alone or in combination with its
26 affiliates.

27 (ii) Beer that is delivered to the Class 5 brewery in finished form
28 may be sold for on-premises consumption under paragraph (2)(iii)2 of this subsection only
29 if it is purchased from a licensed wholesaler.

30 (4) [Except as provided in paragraph (5) of this subsection, the] **THE** total
31 amount of beer sold each year for on-premises consumption under this subsection may not
32 exceed [2,000] **5,000** barrels.

1 (5) [(i) If, in a single year, the license holder reaches 80% of the volume
2 authorized to be sold for on-premises consumption under paragraph (4) of this subsection,
3 the license holder may file a request with the Comptroller for permission to sell up to an
4 additional 1,000 barrels for on-premises consumption in that year.

5 (ii) The maximum volume that a license holder may sell for
6 on-premises consumption in a single year is 3,000 barrels.

7 (iii) Any beer that the license holder sells for on-premises
8 consumption in excess of the 2,000-barrel limit under paragraph (4) of this subsection shall
9 be purchased from a licensed wholesaler.

10 (6)] Before a local licensing board that does not issue a Class D beer license
11 may grant an on-site consumption permit, the local licensing board shall:

12 (i) establish an equivalent license; and

13 (ii) require the applicant to obtain that equivalent license.

14 [(7)] (6) A local licensing board may charge a fee for granting an on-site
15 consumption permit.

16 [(8)] (7) A local licensing board shall require the holder of an on-site
17 consumption permit or a Class D beer license or an equivalent license under paragraph
18 [(6)] (5) of this subsection to:

19 (i) comply with the alcohol awareness requirements under § 4-505
20 of this article; and

21 (ii) abide by all applicable trade practice restrictions.

22 (g) (1) The Comptroller may issue a brewery promotional event permit to a
23 holder of a Class 5 brewery license.

24 (2) Subject to subsection (i) of this section, the permit authorizes the holder
25 to conduct on the premises of the brewery a promotional event at which the holder may,
26 with respect to individuals who have attained the legal drinking age:

27 (i) provide samples consisting of a total of not more than 18 fluid
28 ounces to a consumer; and

29 (ii) sell beer to individuals who participate in the event.

30 (3) Subject to subsection (i) of this section, the beer at the event shall be
31 sold by the glass for on-premises consumption only.

1 (4) To obtain a permit, an applicant, at least 15 days before the event, shall
2 file with the Comptroller an application that the Comptroller provides.

3 (5) A holder of a Class 5 brewery license may not be issued more than 12
4 permits in a calendar year.

5 (6) A single promotional event may not exceed 3 consecutive days.

6 (7) The permit fee is \$25 per event.

7 (h) (1) This subsection does not apply to:

8 (i) ~~the~~ holder of a Class 5 brewery license that held an on-site
9 consumption permit and a Class D license or an equivalent license on or before April 1,
10 2017 **AND ANY TRANSFEREE OF THOSE LICENSES;**

11 (ii) an individual who held a minority interest in an on-site
12 consumption permit and a Class D license or an equivalent license on or before April 1,
13 2017, and then obtains by transfer a majority interest in the same license or permit;

14 (iii) a location in the State for which a completed brewer's notice form
15 was filed with the U. S. Department of Treasury on or before April 1, 2017;

16 (iv)~~†~~ a promotional event conducted under subsection (g) of this
17 section; and

18 ~~†(v)†~~ ~~(H)~~ a guided tour during which:

19 1. samples of beer are served under subsection (c)(5) of this
20 section; or

21 2. beer is sold for off-premises consumption under
22 subsection (c)(6) of this section.

23 ~~†(2)~~ This subsection applies to:

24 (i) a holder of a Class 5 brewery license who:

25 1. after April 1, 2017, obtains an on-site consumption permit
26 and a Class D beer license or equivalent license for on-premises consumption; or

27 2. not holding a minority interest in an on-site consumption
28 permit and a Class D license or an equivalent license on or before April 1, 2017, obtains a
29 majority interest by transfer in an on-site consumption permit and a Class D license or an
30 equivalent license; and

(ii) notwithstanding paragraph (1)(iii) of this subsection, a manufacturer of beer with more than 1,000,000 barrels of finished production annually alone or in combination with its affiliates.

(3) Notwithstanding any provision in Division II of this article, the sales and serving privileges of an on-site consumption permit and a Class D license or an equivalent license may be exercised only from 10 a.m. to 10 p.m. Monday through Sunday.

~~(2) A HOLDER OF A CLASS 5 BREWERY LICENSE WITH AN ON SITE CONSUMPTION PERMIT AND A CLASS D LICENSE OR AN EQUIVALENT LICENSE MAY SERVE OR SELL BEER FOR ON PREMISES CONSUMPTION DURING THE HOURS SPECIFIED IN THE LICENSE AT THE LOCATION DESCRIBED IN THE CLASS D LICENSE.~~

(i) All beer offered, served, or sold to a consumer under subsection (c)(5) or (6) or (g) of this section shall be:

(1) fermented and brewed entirely at the Class 5 brewery; or

(2) beer of which the license holder or an affiliate of the license holder is the brand owner.

(j) (1) (i) The Comptroller may issue a refillable container permit for draft beer under § 4-1104 or Subtitle 11 of the various titles in Division II of this article to a holder of a Class 5 brewery license:

1. on completion of an application form that the Comptroller provides; and

2. at no cost to the holder of the Class 5 brewery license.

(ii) A refillable container permit may be renewed each year concurrently with the renewal of the Class 5 brewery license.

(2) The hours of sale for a refillable container permit issued under this subsection are the same as the hours when a guided tour, a promotional event, or other organized activity at the licensed premises authorized under subsection (c) of this section may be conducted.

(k) (1) On or before October 1 each year, the Comptroller shall report to the Senate Education, Health, and Environmental Affairs Committee and the House Economic Matters Committee, in accordance with § 2-1246 of the State Government Article, on the following, identified by jurisdiction and Class 5 license holder:

(i) the total beer production of the license holder in the preceding fiscal year; **AND**

1 (ii) the total sales of the license holder for on-site consumption
2 under an on-site consumption permit, a Class D beer license, or an equivalent license in
3 the preceding fiscal year[;

4 (iii) whether the license holder has requested permission to sell
5 additional beer under subsection (f)(5)(i) of this section, and whether the Comptroller
6 granted that permission, for the preceding fiscal year; and

7 (iv) the total sales of the license holder of additional beer under
8 subsection (f)(5)(i) of this section in the preceding fiscal year].

9 (2) Each holder of a Class 5 license shall report to the Comptroller the
10 information needed to prepare the annual report under this subsection.

11 (3) The Comptroller ~~may~~ **SHALL** include the information reported under
12 this subsection in the annual report submitted under § 1-306 of this article.

13 2-208.

14 (a) There is a Class 6 pub-brewery license.

15 **(1) ON OR BEFORE OCTOBER 1 EACH YEAR, THE COMPTROLLER**
16 **SHALL REPORT TO THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL**
17 **AFFAIRS COMMITTEE AND THE HOUSE ECONOMIC MATTERS COMMITTEE, IN**
18 **ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE TOTAL**
19 **BEER PRODUCTION OF EACH CLASS 6 LICENSE HOLDER IN THE PRECEDING FISCAL**
20 **YEAR, IDENTIFIED BY JURISDICTION AND LICENSE HOLDER.**

21 **(2) EACH HOLDER OF A CLASS 6 LICENSE SHALL REPORT TO THE**
22 **COMPTROLLER THE INFORMATION NEEDED TO PREPARE THE ANNUAL REPORT**
23 **REQUIRED UNDER THIS SUBSECTION.**

24 **(3) THE COMPTROLLER SHALL INCLUDE THE INFORMATION**
25 **REPORTED UNDER THIS SUBSECTION IN THE ANNUAL REPORT SUBMITTED UNDER §**
26 **1-306 OF THIS ARTICLE.**

27 2-209.

28 (a) There is a Class 7 micro-brewery license.

29 (b) Except as provided in Division II of this article, the license may be issued only
30 to the holder of a Class B beer, wine, and liquor (on-sale) license that is issued for use on
31 the premises of a restaurant.

32 (c) A license holder may:

1 (1) brew and bottle malt beverages at the location described in the license;

2 (2) obtain a Class 2 rectifying license for a premises located within 1 mile
3 of the existing Class 7 micro-brewery location to bottle malt beverages brewed at the
4 micro-brewery location only;

5 (3) contract to brew and bottle malt beverages with and on behalf of the
6 holder of a Class 2 rectifying license, Class 5 brewery license, Class 7 micro-brewery
7 license, Class 8 farm brewery license, or a nonresident dealer's permit;

8 (4) store the finished product under an individual storage permit or at a
9 licensed public storage facility for subsequent sale and delivery:

10 (i) to a holder of a wholesaler's license;

11 (ii) to an authorized person outside the State; or

12 (iii) for shipment back to the micro-brewery location for sale on the
13 retail premises; **[and]**

14 (5) enter into a temporary delivery agreement with a distributor only for
15 delivery of beer to a beer festival or a wine and beer festival, and the return of any unused
16 beer, if:

17 (i) the festival is in a sales territory for which the license holder does
18 not have a franchise with a distributor under the Beer Franchise Fair Dealing Act in Title
19 5, Subtitle 1 of this article; and

20 (ii) the temporary delivery agreement is in writing;

21 **(6) HOLD AN ADDITIONAL CLASS 7 MICRO-BREWERY LICENSE**
22 **PROVIDED THAT BOTH LICENSES REMAIN SUBJECT TO THE PRODUCTION LIMITS OF**
23 **SUBSECTION (D) OF THIS SECTION; AND**

24 **(7) SUBJECT TO SUBSECTION (D) OF THIS SECTION, BREW AND**
25 **BOTTLE MALT BEVERAGES AT A LOCATION LISTED ON A PERMIT ISSUED IN**
26 **ACCORDANCE WITH § 2-113 OF THIS TITLE.**

27 (d) (1) Subject to paragraph (2) of this subsection, a license holder may not
28 collectively brew, bottle, or contract for more than **[22,500] 45,000** barrels of malt
29 beverages each calendar year.

30 (2) ~~[(i)]~~ In determining the barrelage limitation under paragraph (1) of
31 this subsection, any salable beer produced under a contractual arrangement accrues only
32 to the license holder that owns the brand.

1 ~~[(ii)~~ A license holder that wishes to produce more than the barrelage
2 authorized under paragraph (1) of this subsection shall:

- 3 1. divest itself of any retail license; and
- 4 2. obtain a Class 5 brewery license.~~]~~

5 (3) A license holder that has licenses for two locations may not collectively
6 brew, bottle, or contract for more than [22,500] **45,000** barrels of malt beverages in
7 aggregate from both of its locations each calendar year.

8 (e) A license holder:

9 (1) may not own, operate, or be affiliated with another manufacturer of
10 beer except for a Class 2 rectifying license authorized under subsection (c)(2) of this section
11 **OR MORE THAN ONE ADDITIONAL CLASS 7 MICRO-BREWERY LICENSE**; and

12 (2) may not be granted a wholesaler's license **OTHER THAN A CLASS 7**
13 **LIMITED BEER WHOLESALER'S LICENSE**.

14 (f) (1) The on-sale privilege authorizes the license holder, each calendar year,
15 to sell at retail for on-premises consumption:

16 (i) up to [4,000] **5,000** barrels of beer brewed under the license; or

17 (ii) if the license holder has licenses for two locations, beer that:

18 1. totals annually up to [4,000] **5,000** barrels [in aggregate
19 from both its locations] **AT EACH LOCATION**; and

20 2. has been brewed at the location where it is sold.

21 (2) A license holder may sell and deliver beer brewed under the license to:

22 (i) a holder of a wholesaler's license; or

23 (ii) a person outside the State that is authorized to acquire beer.

24 (g) The hours and days for retail sales under the license are those established for
25 a Class B license or for a holder of a Class B beer, wine, and liquor license.

26 (h) A license holder may sell at retail beer brewed under the license for
27 off-premises consumption:

28 (1) in a sealed refillable container that:

- 1 (i) may be returned for refilling; and
- 2 (ii) shall be sealed by the license holder when refilled; and
- 3 (2) as prepackaged beer in a nonrefillable container.
- 4 (i) The annual license fee is \$500.

5 **(J) (1) ON OR BEFORE OCTOBER 1 EACH YEAR, THE COMPTROLLER**
6 **SHALL REPORT TO THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL**
7 **AFFAIRS COMMITTEE AND THE HOUSE ECONOMIC MATTERS COMMITTEE, IN**
8 **ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE**
9 **FOLLOWING, IDENTIFIED BY JURISDICTION AND CLASS 7 LICENSE HOLDER:**

10 **(I) THE TOTAL BEER PRODUCTION OF THE LICENSE HOLDER IN**
11 **THE PRECEDING FISCAL YEAR; AND**

12 **(II) THE TOTAL SALES OF THE LICENSE HOLDER FOR ON-SITE**
13 **CONSUMPTION.**

14 **(2) EACH HOLDER OF A CLASS 7 LICENSE SHALL REPORT TO THE**
15 **COMPTROLLER THE INFORMATION NEEDED TO PREPARE THE ANNUAL REPORT**
16 **REQUIRED UNDER THIS SUBSECTION.**

17 **(3) THE COMPTROLLER SHALL INCLUDE THE INFORMATION**
18 **REPORTED UNDER THIS SUBSECTION IN THE ANNUAL REPORT SUBMITTED UNDER §**
19 **1-306 OF THIS ARTICLE.**

20 2-210.

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

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

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

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

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

1 (c) A license holder may:

2 (1) (i) sell beer produced by the license holder for on-premises
3 consumption;

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

6 1. at no charge; or

7 2. for a fee;

8 (iii) sell or serve:

9 1. bread and other baked goods;

10 2. chili;

11 3. chocolate;

12 4. crackers;

13 5. cured meat;

14 6. fruits (whole and cut);

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

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

17 9. ice cream;

18 10. jam;

19 11. jelly;

20 12. vinegar;

21 13. pizza;

22 14. prepackaged sandwiches and other prepackaged foods
23 ready to be eaten;

24 15. soup; and

25 16. condiments; and

1 (iv) subject to subsection (e)(2) of this section, sell or serve any food
2 if the license holder is licensed to operate a food establishment under Title 21, Subtitle 3 of
3 the Health – General Article;

4 (2) store [on its licensed farm], in a segregated area approved by the
5 Comptroller, beer produced [at the licensed farm] **BY THE LICENSE HOLDER** for sale and
6 delivery to a wholesaler licensed in the State or a person outside the State authorized to
7 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 [at a warehouse for which the license
15 holder has been issued an individual storage permit] **IN A FACILITY LISTED ON A PERMIT**
16 **ISSUED TO THE LICENSE HOLDER IN ACCORDANCE WITH § 2–113 OF THIS TITLE**, for
17 sale and delivery to a wholesaler licensed in the State or a person outside the State
18 authorized to acquire the beer, or shipment back to the licensed farm, if:

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

21 (ii) the Comptroller has full access at all times to the warehouse to
22 enforce this article; and

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

26 (i) the festival is in a sales territory for which the license holder does
27 not have a franchise with a distributor under the Beer Franchise Fair Dealing Act in Title
28 5, Subtitle 1 of this article; and

29 (ii) the temporary delivery agreement is in writing.

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

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

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

4 (2) A license holder who sells foods under subsection (c)(1)(iv) of this section
 5 shall meet the same ratio of gross receipts between food and alcoholic beverages sales as a
 6 holder of a Class D beer and wine license or an equivalent license in the jurisdiction, as the
 7 local licensing board determines.

8 (f) Subject to subsections (i) and (j) of this section, a license holder **AT THE**
 9 **LOCATION LISTED ON THE LICENSE** may exercise the privileges of the license each day:
 10 **FROM 10 A.M. TO 10 P.M.**

11 ~~(1) from 10 a.m. to 6 p.m., for consumption of beer and sales and service of~~
 12 ~~food at the licensed farm; and~~

13 ~~(2) from 10 a.m. to 10 p.m., for:~~

14 ~~(i) sampling of beer;~~

15 ~~(ii) consumption of beer off the licensed farm if the beer is packaged~~
 16 ~~in sealed or resealable containers, such as growlers; and~~

17 ~~(iii) guests who attend a planned promotional event or other~~
 18 ~~organized activity at the licensed farm.~~

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

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

23 (i) (1) A license holder may sponsor a multibrewery activity at the [licensed
 24 farm] **LOCATION ISSUED ON THE LICENSE** that:

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

26 (ii) provides for the sale of beer by the glass for on-premises
 27 consumption only.

28 (2) In a segregated area approved by the Comptroller [on the licensed
 29 farm] **AT THE LOCATION LISTED ON THE LICENSE**, a license holder may store the
 30 products of other Maryland breweries for the multibrewery activity.

31 (3) The multibrewery activity:

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

2 (ii) may not exceed 3 consecutive days.

3 (j) (1) The Comptroller may issue a brewery promotional event permit to a
4 license holder.

5 (2) At least 15 days before holding a planned promotional event, the license
6 holder shall obtain a permit from the Comptroller by filing a notice of the promotional event
7 on the form that the Comptroller provides.

8 (3) The permit authorizes the license holder to conduct at the [licensed
9 farm] **LOCATION LISTED ON THE LICENSE** a promotional event at which the license
10 holder may:

11 (i) provide samples of not more than 6 fluid ounces per brand to
12 consumers; and

13 (ii) sell beer produced by the license holder to persons who
14 participate in the event.

15 (4) The beer at the event shall be sold by the glass and for on-premises
16 consumption only.

17 (5) The license holder may not be issued more than 12 permits in a
18 calendar year.

19 (6) A single promotional event:

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

21 (ii) may not exceed 3 consecutive days.

22 (7) The permit fee is \$25 per event.

23 (k) The annual license fee is \$200.

24 **(L) (1) ON OR BEFORE OCTOBER 1 EACH YEAR, THE COMPTROLLER**
25 **SHALL REPORT TO THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL**
26 **AFFAIRS COMMITTEE AND THE HOUSE ECONOMIC MATTERS COMMITTEE, IN**
27 **ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE TOTAL**
28 **BEER PRODUCTION OF EACH CLASS 8 LICENSE HOLDER IN THE PRECEDING FISCAL**
29 **YEAR, IDENTIFIED BY JURISDICTION AND LICENSE HOLDER.**

1 (2) EACH HOLDER OF A CLASS 8 LICENSE SHALL REPORT TO THE
2 COMPTROLLER THE INFORMATION NEEDED TO PREPARE THE ANNUAL REPORT
3 REQUIRED UNDER THIS SUBSECTION.

4 (3) THE COMPTROLLER SHALL INCLUDE THE INFORMATION
5 REPORTED UNDER THIS SUBSECTION IN THE ANNUAL REPORT SUBMITTED UNDER §
6 1-306 OF THIS ARTICLE.

7 2-308.

8 (b) The license may be issued only to a person that:

9 (1) holds a Class 5 manufacturer's license, a Class 7 micro-brewery license,
10 or a Class 8 farm brewery license; and

11 (2) produces in the aggregate from all of its locations not more than [22,500]
12 45,000 barrels of beer annually.

13 (c) The license authorizes the license holder to:

14 (1) sell and deliver its own beer produced at the license holder's premises to:

15 (i) a holder of a retail license that is authorized to acquire beer from
16 a wholesaler; and

17 (ii) a holder of a permit that is authorized to acquire beer from a
18 wholesaler; and

19 (2) distribute not more than [3,000] 5,000 barrels of its own beer annually.

20 2-311.

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

24 (ii) A holder of a Class 5 manufacturer's license that was selling the
25 holder's own beer at wholesale in the State as of January 1, 2013, may obtain a Class 7
26 limited beer wholesaler's license to continue to sell the holder's own beer at wholesale in
27 the same location in an amount that is not more than [3,000] 5,000 barrels annually.

28 (iii) A holder of a Class 5 manufacturer's license that produces in
29 aggregate from all its locations not more than ~~22,500~~ 45,000 barrels of beer annually may
30 obtain a Class 7 limited beer wholesaler's license and distribute not more than [3,000]
31 5,000 barrels of its own beer annually.

1 (iv) A holder of one or two Class 7 micro-brewery licenses that
2 produces in aggregate from all of its locations not more than ~~22,500~~ 45,000 barrels of beer
3 annually may obtain a Class 7 limited beer wholesaler’s license and distribute beer that:

4 1. totals annually not more than [3,000] 5,000 barrels in
5 aggregate from all of its locations; and

6 2. has been brewed at the location from where it is
7 distributed.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2019.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.