

SENATE BILL 684

A2

9lr1666
CF HB 615

By: **Senators Young and Hough**

Introduced and read first time: February 4, 2019

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Frederick County – Alcoholic Beverages – Micro–Breweries, Farm Breweries,**
3 **and Limited Beer Wholesalers**

4 FOR the purpose of authorizing a holder of a Class 7 micro–brewery license in Frederick
5 County to brew, bottle, or contract for not more than a certain number of barrels of
6 malt beverages each calendar year; altering the maximum number of barrels of beer
7 brewed under a Class 7 micro–brewery license that the license holder may sell at
8 retail for on–premises consumption each year; establishing a maximum limit on the
9 barrels of beer from certain locations that a holder of a Class 7 micro–brewery license
10 may sell under certain circumstances; specifying the hours of sale for the sale of beer
11 under a Class 8 farm brewery license; authorizing a holder of a Class 8 farm brewery
12 license to sell beer for on– and off–premises consumption and to serve food at the
13 licensed farm; specifying that a Class 7 limited beer wholesaler’s license may be
14 issued only to a person that produces in the aggregate from all of its locations not
15 more than a certain number of barrels of beer annually; specifying that the Class 7
16 limited beer wholesaler’s license authorizes the license holder to sell and deliver
17 certain beer to certain persons and to distribute a certain number of barrels of beer
18 annually; authorizing the license holder to use an additional location for certain
19 purposes under certain circumstances; making certain technical changes; and
20 generally relating to micro–breweries, farm breweries, and limited beer wholesalers
21 in Frederick County.

22 BY repealing and reenacting, without amendments,
23 Article – Alcoholic Beverages
24 Section 20–102
25 Annotated Code of Maryland
26 (2016 Volume and 2018 Supplement)

27 BY repealing and reenacting, with amendments,
28 Article – Alcoholic Beverages
29 Section 20–401, 20–406, and 20–501

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2016 Volume and 2018 Supplement)

3 BY adding to
4 Article – Alcoholic Beverages
5 Section 20–407 and 20–504
6 Annotated Code of Maryland
7 (2016 Volume and 2018 Supplement)

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

10 **Article – Alcoholic Beverages**

11 20–102.

12 This title applies only in Frederick County.

13 20–401.

14 (a) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of
15 Division I of this article apply in the county without exception or variation:

16 (1) § 2–201 (“Issuance by Comptroller”);

17 (2) § 2–202 (“Class 1 distillery license”);

18 (3) § 2–203 (“Class 9 limited distillery license”);

19 (4) § 2–204 (“Class 2 rectifying license”);

20 (5) § 2–207 (“Class 5 brewery license”);

21 (6) [§ 2–210 (“Class 8 farm brewery license”);

22 (7)] § 2–211 (“Residency requirement”);

23 [(8)] (7) § 2–212 (“Additional licenses”);

24 [(9)] (8) § 2–213 (“Additional fees”);

25 [(10)] (9) § 2–214 (“Sale or delivery restricted”);

26 [(11)] (10) § 2–215 (“Beer sale on credit to retail dealer prohibited”);

1 [(12)] (11) § 2–216 (“Interaction between manufacturing entities and
2 retailers”);

3 [(13)] (12) § 2–217 (“Distribution of alcoholic beverages — Prohibited
4 practices”); and

5 [(14)] (13) § 2–218 (“Restrictive agreements between producers and
6 retailers — Prohibited”).

7 (b) The following sections of Title 2, Subtitle 2 (“Manufacturer’s Licenses”) of
8 Division I of this article apply in the county:

9 (1) § 2–205 (“Class 3 winery license”), subject to § 20–403 of this subtitle;

10 (2) § 2–206 (“Class 4 limited winery license”), subject to § 20–404 of this
11 subtitle;

12 (3) § 2–208 (“Class 6 pub–brewery license”), subject to § 20–405 of this
13 subtitle; [and]

14 (4) § 2–209 (“Class 7 micro–brewery license”), subject to § 20–406 of this
15 subtitle; AND

16 (5) **§ 2–210 (“CLASS 8 FARM BREWERY LICENSE”), SUBJECT TO §**
17 **20–407 OF THIS SUBTITLE.**

18 20–406.

19 (a) This section applies to a Class 7 micro–brewery license in the county.

20 (b) Notwithstanding § 2–209(b) of this article, the license may be issued only to a
21 holder of:

22 (1) a Class B beer, wine, and liquor (on–sale) license that is issued for use
23 on the premises of a restaurant in the county; or

24 (2) a Class MEC license that is issued for use on the premises of the Class
25 MEC license if the premises is located in the Ballenger (23rd) election district.

26 (c) The license holder is not subject to the manufacturing and licensing
27 prohibitions under § 2–209(e) of this article.

28 (D) **A LICENSE HOLDER MAY:**

29 (1) **BREW, BOTTLE, OR CONTRACT FOR NOT MORE THAN 45,000**
30 **BARRELS OF MALT BEVERAGES EACH CALENDAR YEAR; AND**

1 **(2) SELL AT RETAIL FOR ON-PREMISES CONSUMPTION:**

2 **(I) NOT MORE THAN 4,000 BARRELS OF BEER BREWED UNDER**
3 **THE LICENSE; OR**

4 **(II) IF THE LICENSE HOLDER HAS LICENSES FOR TWO**
5 **LOCATIONS, NOT MORE THAN 4,000 BARRELS OF BEER FROM EACH LOCATION THAT**
6 **HAS BEEN BREWED AT THE LOCATION WHERE IT IS SOLD.**

7 **20-407.**

8 **(A) THIS SECTION APPLIES TO A CLASS 8 FARM BREWERY LICENSE IN THE**
9 **COUNTY.**

10 **(B) A LICENSE HOLDER MAY EXERCISE THE PRIVILEGES OF THE LICENSE**
11 **MONDAY THROUGH SUNDAY FROM 10 A.M. TO 10 P.M. FOR SALE OF BEER FOR**
12 **ON- AND OFF-PREMISES CONSUMPTION AND SERVICE OF FOOD AT THE LICENSED**
13 **FARM.**

14 **20-501.**

15 **(A) THE FOLLOWING SECTIONS OF Title 2, Subtitle 3 (“Wholesaler’s Licenses”)**
16 **of Division I of this article applies in the county without exception or variation:**

17 **(1) § 2-301 (“LICENSES ISSUED BY COMPTROLLER”);**

18 **(2) § 2-302 (“CLASS 1 BEER, WINE, AND LIQUOR WHOLESALER’S**
19 **LICENSE”);**

20 **(3) § 2-303 (“CLASS 2 WINE AND LIQUOR WHOLESALER’S LICENSE”);**

21 **(4) § 2-304 (“CLASS 3 BEER AND WINE WHOLESALER’S LICENSE”);**

22 **(5) § 2-305 (“CLASS 4 BEER WHOLESALER’S LICENSE”);**

23 **(6) § 2-306 (“CLASS 5 WINE WHOLESALER’S LICENSE”);**

24 **(7) § 2-307 (“CLASS 6 LIMITED WINE WHOLESALER’S LICENSE”);**

25 **(8) § 2-308.1 (“CLASS 8 LIQUOR WHOLESALER’S LICENSE”);**

26 **(9) § 2-309 (“SALE AND DELIVERY OF BEER OR WINE FROM**
27 **WHOLESALER’S VEHICLE”);**

1 (10) § 2-310 (“SALE AND DELIVERY TO RETAIL LICENSE HOLDER”);

2 (11) § 2-311 (“ADDITIONAL WHOLESALER’S LICENSES”);

3 (12) § 2-312 (“DIRECT IMPORTATION OF ALCOHOLIC BEVERAGES”);

4 (13) § 2-313 (“SALE OR DELIVERY RESTRICTED TO HOLDER OF
5 LICENSE OR PERMIT”);

6 (14) § 2-314 (“BEER SALE ON CREDIT TO RETAIL DEALER
7 PROHIBITED”);

8 (15) § 2-315 (“INTERACTION BETWEEN WHOLESALING ENTITIES AND
9 RETAILERS”);

10 (16) § 2-316 (“DISTRIBUTION OF ALCOHOLIC BEVERAGES —
11 PROHIBITED PRACTICES”); AND

12 (17) § 2-317 (“RESTRICTIVE AGREEMENTS BETWEEN WHOLESALERS
13 AND RETAILERS — PROHIBITED”).

14 (B) SECTION 2-308 (“CLASS 7 LIMITED BEER WHOLESALER’S LICENSE”) OF
15 DIVISION I OF THIS ARTICLE APPLIES IN THE COUNTY, SUBJECT TO § 20-504 OF THIS
16 SUBTITLE.

17 20-504.

18 (A) THIS SECTION APPLIES TO A CLASS 7 LIMITED BEER WHOLESALER’S
19 LICENSE IN THE COUNTY.

20 (B) THE LICENSE MAY BE ISSUED ONLY TO A PERSON THAT PRODUCES IN
21 THE AGGREGATE FROM ALL OF ITS LOCATIONS NOT MORE THAN 45,000 BARRELS OF
22 BEER ANNUALLY.

23 (C) THE LICENSE AUTHORIZES THE LICENSE HOLDER TO:

24 (1) SELL AND DELIVER THE LICENSE HOLDER’S BEER PRODUCED AT
25 THE LICENSE HOLDER’S PREMISES TO A HOLDER OF A RETAIL LICENSE OR PERMIT
26 AUTHORIZING THE ACQUISITION OF BEER FROM A WHOLESALER; AND

27 (2) DISTRIBUTE NOT MORE THAN 6,000 BARRELS OF THE LICENSE
28 HOLDER’S BEER ANNUALLY.

1 **(D) THE LICENSE HOLDER MAY USE A SECOND LOCATION FOR THE**
2 **WAREHOUSING, SALE, AND DELIVERY OF BEER IF THE LICENSE HOLDER:**

3 **(1) SUBMITS TO THE COMPTROLLER A SEPARATE APPLICATION FOR**
4 **EACH LOCATION, AND THE APPLICATIONS ARE APPROVED; AND**

5 **(2) PAYS A \$50 FEE FOR EACH ADDITIONAL LOCATION.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
7 1, 2019.