

HOUSE BILL 587

A2

4lr1595
CF SB 561

By: **Frederick County Delegation**

Introduced and read first time: January 24, 2024

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 8, 2024

CHAPTER _____

1 AN ACT concerning

2 **Frederick County – Alcoholic Beverages – Manufacturer’s Limited Beer, Wine,**
3 **and Liquor Permit**

4 FOR the purpose of establishing a manufacturer’s limited beer, wine, and liquor permit in
5 Frederick County; authorizing the Board of License Commissioners for Frederick
6 County to issue a permit to holders of certain manufacturer’s licenses; requiring the
7 Board to adopt certain regulations; and generally relating to alcoholic beverages in
8 Frederick County.

9 BY repealing and reenacting, without amendments,
10 Article – Alcoholic Beverages and Cannabis
11 Section 20–102
12 Annotated Code of Maryland
13 (2016 Volume and 2023 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Alcoholic Beverages and Cannabis
16 Section 20–401
17 Annotated Code of Maryland
18 (2016 Volume and 2023 Supplement)

19 BY adding to
20 Article – Alcoholic Beverages and Cannabis
21 Section 20–402.1
22 Annotated Code of Maryland

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.



(2016 Volume and 2023 Supplement)

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

Article – Alcoholic Beverages and Cannabis

20–102.

This title applies only in Frederick County.

20–401.

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

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

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

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

[(4)] (3) § 2–204 (“Class 2 rectifying license”);

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

(6)] (4) § 2–210 (“Class 8 farm brewery license”);

[(7)] (5) § 2–211 (“Residency requirement”);

[(8)] (6) § 2–212 (“Additional licenses”);

[(9)] (7) § 2–213 (“Additional fees”);

[(10)] (8) § 2–214 (“Sale or delivery restricted”);

[(11)] (9) § 2–215 (“Beer sale on credit to retail dealer prohibited”);

[(12)] (10) § 2–216 (“Interaction between manufacturing entities and
retailers”);

[(13)] (11) § 2–217 (“Distribution of alcoholic beverages — Prohibited
practices”); and

[(14)] (12) § 2–218 (“Restrictive agreements between producers and
retailers — Prohibited”).

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

(1) § 2–202 (“CLASS 1 DISTILLERY LICENSE”), SUBJECT TO § 20–402.1 OF THIS SUBTITLE;

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

[(2)] (3) § 2–206 (“Class 4 limited winery license”), subject to § 20–404 of this subtitle;

(4) § 2–207 (“CLASS 5 BREWERY LICENSE”), SUBJECT TO § 20–402.1 OF THIS SUBTITLE;

[(3)] (5) § 2–208 (“Class 6 pub–brewery license”), subject to § 20–405 of this subtitle; and

[(4)] (6) § 2–209 (“Class 7 micro–brewery license”), subject to § 20–406 of this subtitle.

20–402.1.

(A) THERE IS A MANUFACTURER’S LIMITED BEER, WINE, AND LIQUOR PERMIT.

(B) THE BOARD MAY ISSUE THE PERMIT TO A HOLDER OF A MANUFACTURER’S LICENSE WITH A LOCAL ON–SITE CONSUMPTION PERMIT UNDER § 2–202 OR § 2–207 OF THIS ARTICLE.

(C) (1) (I) ~~THE~~ SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE PERMIT AUTHORIZES THE HOLDER TO ALLOW A LICENSED CATERER OR OTHER CONTRACTED PARTY TO PROVIDE SEALED BEER, WINE, AND LIQUOR PRODUCTS NOT MANUFACTURED BY THE HOLDER DURING PRIVATE EVENTS FOR ON–PREMISES CONSUMPTION AT THE PREMISES LICENSED FOR THE MANUFACTURER’S LICENSE.

(II) THE HOLDER MAY NOT HAVE A DIRECT OR INDIRECT PECUNIARY INTEREST IN THE LICENSED CATERER OR OTHER CONTRACTED PARTY.

(2) THE HOLDER MAY NOT ALLOW PATRONS WHO ARE VISITING ANY PART OF THE MANUFACTURER’S LICENSED PREMISES THAT IS OPEN TO THE PUBLIC TO ENTER THE PRIVATE EVENT AREA WHILE THE PRIVATE EVENT IS BEING HELD.

1 **(D) THE HOLDER SHALL REQUEST APPROVAL FROM THE BOARD BEFORE**
2 **EACH EVENT.**

3 **(E) THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION,**
4 **INCLUDING:**

5 **(1) CRITERIA FOR APPROVING EVENTS; AND**

6 **(2) SETTING THE ANNUAL PERMIT FEE.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2024.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.