

HOUSE BILL 742

A1

7lr2153

By: **Delegate W. Miller**

Introduced and read first time: February 2, 2017

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Class 4 Limited Winery Licenses**

3 FOR the purpose of authorizing the issuance of a Class 4 limited winery license for use only
4 at a location that has as its principal purpose the production of wine by the license
5 holder; prohibiting a local licensing board from issuing any class of retail license to
6 a license holder or any entity in which the license holder holds a certain interest; and
7 generally relating to Class 4 limited winery licenses.

8 BY repealing and reenacting, without amendments,
9 Article – Alcoholic Beverages
10 Section 2–206(a), (b)(4), and (d)
11 Annotated Code of Maryland
12 (2016 Volume and 2016 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Alcoholic Beverages
15 Section 2–206(e), (f), (g), and (h)
16 Annotated Code of Maryland
17 (2016 Volume and 2016 Supplement)

18 BY adding to
19 Article – Alcoholic Beverages
20 Section 2–206(f)
21 Annotated Code of Maryland
22 (2016 Volume and 2016 Supplement)

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

25 **Article – Alcoholic Beverages**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 2–206.

2 (a) There is a Class 4 limited winery license.

3 (b) (4) A license holder may:

4 (i) sell wine and pomace brandy produced by the license holder for
5 consumption;

6 (ii) in an amount not exceeding 2 fluid ounces per brand, provide
7 samples of wine and pomace brandy that the license holder produces to a consumer:

8 1. at no charge; or

9 2. for a fee; and

10 (iii) subject to paragraph (5) of this subsection, sell or serve only:

11 1. bread and other baked goods;

12 2. chili;

13 3. chocolate;

14 4. crackers;

15 5. cured meat;

16 6. fruits (whole and cut);

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

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

19 9. the following items made with Maryland wine:

20 A. ice cream;

21 B. jam;

22 C. jelly; and

23 D. vinegar;

24 10. pizza;

11. prepackaged sandwiches and other prepackaged foods
ready to be eaten;

12. soup; and

13. condiments.

(d) A license holder may:

(1) store on its licensed premises, in a segregated area approved by the Comptroller, the product of other Class 4 limited wineries to be used at Maryland Wineries Association promotional activities, provided records are maintained and reports filed regarding the storage under this item as may be required by the Comptroller;

(2) distill and bottle not more than 1,900 gallons of pomace brandy made from available Maryland agricultural products;

(3) purchase bulk wine fermented by a manufacturer licensed under this article and blend the wine with the license holder's wine and pomace brandy if the aggregate purchase does not exceed 25% of the license holder's annual wine and pomace brandy production;

(4) purchase pomace brandy only for blending with wine;

(5) import, export, and transport its wine and pomace brandy in accordance with this section; and

(6) produce wine and pomace brandy at a warehouse for which the license holder has been issued an individual storage permit, if:

(i) the license holder does not serve or sell wine or pomace brandy at a warehouse to the public; and

(ii) the Comptroller has full access at all times to the warehouse to enforce this article.

(e) (1) A Class 4 limited winery may be located only at the place stated on the license.

(2) A CLASS 4 LIMITED WINERY LICENSE MAY BE ISSUED FOR USE ONLY AT A LOCATION THAT HAS AS ITS PRINCIPAL PURPOSE THE PRODUCTION OF WINE BY THE LICENSE HOLDER.

(F) A LOCAL LICENSING BOARD MAY NOT ISSUE ANY CLASS OF RETAIL LICENSE TO A LICENSE HOLDER OR ANY ENTITY IN WHICH THE LICENSE HOLDER HOLDS A DIRECT OR INDIRECT INTEREST.

1 **[(f)] (G)** If a license holder maintains the records and files the reports that the
2 Comptroller requires, the license holder may:

3 (1) in the State, conduct winemaking and packaging activities at another
4 federally bonded winery or limited winery; or

5 (2) outside the State, conduct winemaking and packaging activities, other
6 than fermentation, at another federally bonded winery.

7 **[(g)] (H)** Throughout the winemaking process, the license holder shall:

8 (1) maintain ownership of the wine or pomace brandy; and

9 (2) ensure that the wine or pomace brandy returns to the location of the
10 limited winery.

11 **[(h)] (I)** The annual license fee is \$200.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2017.