

HOUSE BILL 232

A2

2lr0839

By: **Montgomery County Delegation**

Introduced and read first time: January 13, 2022

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 9, 2022

CHAPTER _____

1 AN ACT concerning

2 **Montgomery County – Alcoholic Beverages – Class B Beer, Wine, and Liquor**
3 **(Clubhouse/Lodge) License – Manufacturer’s Licenses**

4 **MC 23–22**

5 FOR the purpose of authorizing the holder of a Class B–BWL (clubhouse/lodge) license in
6 Montgomery County to be issued a Class 4 limited winery license and a Class 7
7 micro–brewery license to manufacture, sell, and serve certain products; providing
8 that certain restrictions and requirements on the holder of a Class 4 limited winery
9 license do not apply to the holder of both licenses; and generally relating to alcoholic
10 beverages licenses in Montgomery County.

11 BY repealing and reenacting, without amendments,
12 Article – Alcoholic Beverages
13 Section 2–212(a) and 25–102
14 Annotated Code of Maryland
15 (2016 Volume and 2021 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Alcoholic Beverages
18 Section 25–401, 25–405, and 25–1003
19 Annotated Code of Maryland
20 (2016 Volume and 2021 Supplement)

21 BY adding to

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.



Article – Alcoholic Beverages
Section 25–407
Annotated Code of Maryland
(2016 Volume and 2021 Supplement)

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

Article – Alcoholic Beverages

2–212.

(a) (1) This subsection does not apply to a Class 6 pub–brewery license.

(2) The holder of a distillery, rectifying, winery, limited winery, brewery, or farm brewery license may apply for and obtain, under a different name, one or more additional distillery, rectifying, winery, limited winery, brewery, or farm brewery licenses for the same or different premises.

(3) (i) The holder of multiple manufacturer’s licenses at the same location may allow the sampling, sales, and consumption of products produced under the licenses at each of the licensed premises.

(ii) The sampling, sales, and consumption of products shall be consistent with the authorization for each license.

(4) The additional licenses may be issued to different persons or under trade names used by persons occupying all or a part of the same premises.

(5) A holder of a license listed in paragraph (2) of this subsection may hold additional licenses listed in paragraph (2) of this subsection of the same or of a different class.

(6) The holder of a micro–brewery license may apply for and obtain not more than one additional micro–brewery license for another premises.

25–102.

This title applies only in Montgomery County.

25–401.

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

(4) [§ 2–206 (“Class 4 limited winery license”);

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

[(6)] (5) § 2–210 (“Class 8 farm brewery license”);

[(7)] (6) § 2–211 (“Residency requirement”);

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

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

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

[(11)] (10) § 2–216 (“Interaction between manufacturing entities and
retailers”);

[(12)] (11) § 2–217 (“Distribution of alcoholic beverages — Prohibited
practices”); and

[(13)] (12) § 2–218 (“Restrictive agreements between producers and
retailers — Prohibited”).

(b) Section 2–215 (“Beer sale on credit to retail dealer prohibited”) of Division I of
this article does not apply in the county.

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

(1) § 2–203 (“Class 9 limited distillery license”), subject to § 25–406 of this
subtitle;

(2) § 2–205 (“Class 3 winery license”), subject to § 25–403 of this subtitle;

(3) **§ 2–206 (“CLASS 4 LIMITED WINERY LICENSE”), SUBJECT TO §
25–407 OF THIS SUBTITLE;**

(4) § 2–208 (“Class 6 pub–brewery license”), subject to § 25–404 of this
subtitle; and

[(4)] (5) § 2–209 (“Class 7 micro–brewery license”), subject to § 25–405 of
this subtitle.

1 25-405.

2 (a) This section applies to a Class 7 micro-brewery (on- and off-sale) license in
3 the county.

4 (b) The license may be issued to the holder of:

5 (1) a Class B beer, wine, and liquor (on-sale) license that is issued for use
6 on the premises of a restaurant located in the county;

7 (2) subject to subsection (c) of this section, a Class D beer and wine license
8 that is issued for the sale of beer and wine, at retail, at the place described in the license,
9 for on- and off-premises consumption;

10 (3) a Class H beer and wine license that is issued for the sale of beer and
11 wine at a hotel or restaurant, at retail, at the place described in the license, for on-premises
12 consumption; [or]

13 (4) a Class BD-BWL license that is issued for the sale of beer and wine for
14 on- and off-premises consumption, and liquor for on-premises consumption, at the place
15 described in the license; **OR**

16 **(5) A CLASS B-BWL (CLUBHOUSE/LODGE) LICENSE THAT IS ISSUED**
17 **FOR THE SALE OF BEER AND WINE FOR ON- AND OFF-PREMISES CONSUMPTION, AND**
18 **LIQUOR FOR ON-PREMISES CONSUMPTION, AT THE PLACE DESCRIBED IN THE**
19 **LICENSE.**

20 (c) The [Comptroller] **COMMISSION** may not issue more than an aggregate
21 amount of two Class 7 micro-brewery licenses to holders of Class D beer and wine licenses
22 in the Town of Kensington.

23 (d) A holder of the license shall enter into a written agreement with the Alcohol
24 Beverage Services for the sale and resale of malt beverages brewed under the license.

25 (e) (1) Subject to paragraphs (2), (3), and (4) of this subsection, the holder of a
26 Class 7 micro-brewery license may:

27 (i) brew in two locations using the same Class 7 micro-brewery
28 license; and

29 (ii) obtain a Class 2 rectifying license for the premises at the two
30 locations authorized under item (i) of this paragraph.

31 (2) The holder of a Class 7 micro-brewery license may brew in two locations
32 using the same Class 7 micro-brewery license if the license holder:

(i) requests permission by submitting a written application to the [Comptroller] COMMISSION; and

(ii) obtains written approval from the [Comptroller] COMMISSION.

(3) Before authorizing a holder of a Class 7 micro-brewery license to brew in two locations using the same Class 7 micro-brewery license, the [Comptroller] COMMISSION shall:

(i) make a determination that a second location to brew additional capacity is necessary due to insufficient space at the existing Class 7 license location; and

(ii) consider any other factor relevant to approval of the application.

(4) Notwithstanding any other provision of this article, a holder of a Class 7 micro-brewery license may not serve or sell malt beverages for on- or off-premises consumption at the second brewing location authorized under this subsection.

25-407.

(A) A HOLDER OF A CLASS B-BWL (CLUBHOUSE/LODGE) LICENSE MAY BE ISSUED A CLASS 4 LIMITED WINERY LICENSE TO SELL AND SERVE THE FERMENTED AND DISTILLED PRODUCTS THAT THE HOLDER MANUFACTURES FOR ON- AND OFF-PREMISES CONSUMPTION.

(B) THE RESTRICTIONS UNDER § 2-206(B)(5)(III), (6)(II), AND (9) AND THE NOTICE REQUIREMENT UNDER § 2-206(B)(9) OF THIS ARTICLE DO NOT APPLY TO A LICENSE ISSUED UNDER THIS SECTION.

25-1003.

(a) There is a Class B-BWL (clubhouse/lodge) license.

(b) The Board may issue a Class B-BWL (clubhouse/lodge) license to the Executive Director of the Montgomery County Revenue Authority or the designee of the Executive Director, for use by a multiuse facility that accommodates a golf course, a restaurant, a clubhouse, a tasting bar, and the catering of events anywhere on the property.

(c) The license authorizes the license holder to:

(1) sell beer and wine for off-premises consumption;

(2) sell beer, wine, and liquor for on-premises consumption; and

(3) offer samples of alcoholic beverages at no charge or for a fee.

(d) The restrictions contained in § 25-902(b) of this title do not apply to the issuance of a Class B-BWL (clubhouse/lodge) license.

(e) **THE LICENSE HOLDER MAY ALSO HOLD:**

(1) A CLASS 4 LIMITED WINERY LICENSE IN ACCORDANCE WITH § 25-407 OF THIS TITLE; AND

(2) A CLASS 7 MICRO-BREWERY LICENSE IN ACCORDANCE WITH § 25-405 OF THIS TITLE.

(F) The annual license fee is \$1,000.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.