

HOUSE BILL 42

A1

7lr0355

HB 616/16 – ECM

(PRE-FILED)

By: **Delegate Barkley**

Requested: June 14, 2016

Introduced and read first time: January 11, 2017

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 7, 2017

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages – Class 1 Distillery Licenses**

3 FOR the purpose of altering the activities allowed to be conducted at a plant established
4 and operated by a holder of a Class 1 distillery license; allowing the license holder to
5 acquire alcoholic beverages from a holder of any manufacturer's license or
6 wholesaler's license or a holder of a nonresident dealer's permit for use in
7 manufacturing; repealing a provision of law requiring that the license holder acquire
8 certain alcoholic beverages in bulk; authorizing the license holder to serve at no cost
9 or for a fee certain product samples to certain participants in a guided tour of the
10 licensed premises; altering the amount and contents of product samples that may be
11 served; altering the amount of products that the license holder may sell to certain
12 participants in a guided tour of the licensed premises; altering certain time
13 restrictions on certain activities of license holders who sell products to certain
14 participants in a guided tour; and generally relating to Class 1 distillery licenses.

15 BY repealing and reenacting, with amendments,
16 Article – Alcoholic Beverages
17 Section 2–202
18 Annotated Code of Maryland
19 (2016 Volume and 2016 Supplement)

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

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

2–202.

(a) There is a Class 1 distillery license.

(b) The license shall be obtained for each trade name and each distillery in the State.

(c) A license holder may:

(1) establish and operate a plant for distilling, **RECTIFYING, BLENDING, AND BOTTLING, AT THE LOCATION DESCRIBED IN THE LICENSE:**

(I) brandy[.];

(II) rum[.];

(III) whiskey[.];

(IV) alcohol[.]; and

(V) neutral spirits [at the location described in the license];

(2) sell and deliver the alcoholic beverages:

(i) in bulk to a person in the State that is authorized to acquire them; and

(ii) to a person outside the State that is authorized to acquire them;

(3) manufacture an alcoholic beverage listed in item (1) of this subsection in the name of another person or under a trade name if the other person or trade name also holds a Class 1 distillery license;

(4) acquire alcoholic beverages [in bulk] from the holder of a [Class 1 distillery license, Class 2 rectifying license, Class 3 winery license,] **MANUFACTURER'S LICENSE OR WHOLESALEER'S LICENSE** or nonresident dealer's permit **FOR USE IN MANUFACTURING**; and

(5) (i) conduct guided tours of the licensed premises;

(ii) **AT NO COST OR FOR A FEE, serve TO AN INDIVIDUAL WHO HAS ATTAINED THE LEGAL DRINKING AGE AND PARTICIPATED IN A GUIDED TOUR OF THE LICENSED PREMISES**, not more than [three samples of products manufactured at the licensed premises] **2 OUNCES OF PRODUCTS**, with each **PRODUCT** sample consisting of

not more than one-half ounce from a single product **MANUFACTURED BY THE LICENSE HOLDER**[, to an individual who has attained the legal drinking age and participated in a guided tour of the licensed premises]; [and]

(III) SERVE SAMPLES BLENDED WITH OTHER PRODUCTS MANUFACTURED BY THE LICENSE HOLDER OR NONALCOHOLIC INGREDIENTS; AND

[(iii)] (IV) sell not more than [three 750-milliliter bottles] **2.25 LITERS** of products manufactured on the licensed premises, for off-premises consumption, and related merchandise to an individual who has attained the legal drinking age and participated in a guided tour of the licensed premises.

(d) A license holder or entity in which a license holder has a pecuniary interest may not act as a caterer of food.

(e) Subject to subsection (f) of this section, a license holder may conduct the activities specified in subsection (c)(5) of this section[:

(1) for off-premises consumption of products manufactured at the licensed premises and for sampling, from 10 a.m. to 10 p.m. each day; and

(2) for on-premises consumption of products manufactured at the licensed premises:

(i) from 10 a.m. to 6 p.m. each day; or

(ii) if guests are attending a planned promotional event or other organized activity on the licensed premises,] from 10 a.m. to 10 p.m. each day.

(f) A Class 1 distillery license allows the license holder to operate 7 days a week.

(g) At least 14 days before holding a planned promotional event after 6 p.m., a license holder shall file a notice of the promotional event with the Comptroller on the form that the Comptroller provides.

(h) A holder of a caterer's license or privilege under Subtitle 5 of this title or Subtitle 12 of various titles of Division II of this article may exercise the privileges of the license or privilege on the licensed premises of the license holder.

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

(j) The annual license fee is \$2,000.

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