

HOUSE BILL 277

A2

3lr0563

By: **Montgomery County Delegation**

Introduced and read first time: January 25, 2023

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 10, 2023

CHAPTER _____

1 AN ACT concerning

2 **Montgomery County – Alcoholic Beverages – Holders of Class B–BWL**
3 **(Clubhouse/Lodge) License and Class 7 Micro–Brewery License**

4 **MC 16–23**

5 FOR the purpose of providing that the restriction on holding or having a financial interest
6 in other retail alcoholic beverages licenses for holders of a Class 7 micro–brewery
7 license does not apply to a holder of a Class B–BWL (clubhouse/lodge) license in
8 Montgomery County who is issued a Class 7 micro–brewery license; and generally
9 relating to alcoholic beverages in Montgomery County.

10 BY repealing and reenacting, without amendments,
11 Article – Alcoholic Beverages
12 Section 2–216(e)(2), 25–102, and 25–1003
13 Annotated Code of Maryland
14 (2016 Volume and 2022 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Alcoholic Beverages
17 Section 25–401 and 25–405
18 Annotated Code of Maryland
19 (2016 Volume and 2022 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

2–216.

(e) (2) A holder of a Class 6 pub–brewery license or a Class 7 micro–brewery license may hold or have a financial interest in one retail license that does not apply to premises to which a Class 6 pub–brewery license or Class 7 micro–brewery license applies.

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

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

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

(7) § 2–212 (“Additional licenses”);

(8) § 2–213 (“Additional fees”);

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

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

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

and

[(12)] (11) § 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]

(5) § 2–209 (“Class 7 micro–brewery license”), subject to § 25–405 of this subtitle; AND

(6) § 2–216 (“INTERACTION BETWEEN MANUFACTURING ENTITIES AND RETAILERS”), SUBJECT TO § 25–405 OF THIS SUBTITLE.

25–405.

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

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

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

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

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

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

(5) a Class B–BWL (clubhouse/lodge) license that is issued for the sale of beer and wine for on– and off–premises consumption, and liquor for on–premises consumption, at the place described in the license; or

(6) a Class D beer, wine, and liquor license that is issued for the sale of beer, wine, and liquor for on-premises consumption, at the place described in the license.

(c) The Commission may not issue more than an aggregate amount of two Class 7 micro-brewery licenses to holders of Class D beer and wine licenses in the Town of Kensington.

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

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

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

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

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

(i) requests permission by submitting a written application to the Commission; and

(ii) obtains written approval from the 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 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.

(F) A HOLDER OF A CLASS B-BWL (CLUBHOUSE/LODGE) LICENSE THAT IS ISSUED A CLASS 7 MICRO-BREWERY LICENSE IS NOT SUBJECT TO THE LICENSURE RESTRICTION ON HOLDERS OF CLASS 7 MICRO-BREWERY LICENSES SET FORTH UNDER § 2-216(E)(2) OF THIS ARTICLE.

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, 2023.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.