

# SENATE BILL 210

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CF HB 71

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By: ~~Senator Zucker~~ Senators Zucker, Bates, Hough, Mathias, Norman, Peters, Ready, and Young

Introduced and read first time: January 19, 2017

Assigned to: Education, Health, and Environmental Affairs

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 7, 2017

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Alcoholic Beverages – Class 8 Farm Brewery License Holders – Food Service**

3 FOR the purpose of repealing the restriction on a holder of a Class 8 farm brewery license  
4 to sell or serve only certain types of food; allowing the holder to sell and serve food if  
5 the holder is licensed to operate a food establishment; and generally relating to  
6 holders of Class 8 farm brewery licenses.

7 BY repealing and reenacting, with amendments,

8 Article – Alcoholic Beverages

9 Section 2–210

10 Annotated Code of Maryland

11 (2016 Volume and 2016 Supplement)

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

14 **Article – Alcoholic Beverages**

15 2–210.

16 (a) There is a Class 8 farm brewery license.

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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.



1 (b) (1) Subject to paragraph (2) of this subsection, a license holder may sell  
2 and deliver beer manufactured in a facility on the licensed farm or in a facility other than  
3 one on the licensed farm to:

4 (i) a wholesaler licensed to sell and deliver beer in the State; or

5 (ii) a person in another state authorized to acquire beer.

6 (2) The beer to be sold and delivered under paragraph (1) of this subsection  
7 shall be manufactured with an ingredient from a Maryland agricultural product, including  
8 hops, grain, and fruit, produced on the licensed farm.

9 (c) A license holder may:

10 (1) (i) sell beer produced by the license holder for on-premises  
11 consumption;

12 (ii) in an amount not exceeding 6 fluid ounces per brand, provide  
13 samples of beer that the license holder produces to a consumer:

14 1. at no charge; or

15 2. for a fee; and

16 (iii) sell or serve[:

17 1. bread and other baked goods;

18 2. chili;

19 3. chocolate;

20 4. crackers;

21 5. cured meat;

22 6. fruits (whole and cut);

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

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

25 9. ice cream;

26 10. jam;

27 11. jelly;

- 1                                   12.    vinegar;
- 2                                   13.    pizza;
- 3                                   14.    prepackaged sandwiches and other prepackaged foods  
4 ready to be eaten;
- 5                                   15.    soup; and

6                                   16.    condiments] **FOOD IF THE LICENSE HOLDER IS**  
7 **LICENSED TO OPERATE A FOOD ESTABLISHMENT UNDER TITLE 21, SUBTITLE 3 OF**  
8 **THE HEALTH – GENERAL ARTICLE;**

9                   (2)    store on its licensed farm, in a segregated area approved by the  
10 Comptroller, beer produced at the licensed farm for sale and delivery to a wholesaler  
11 licensed in the State or a person outside the State authorized to acquire the beer;

12                   (3)    brew, bottle, or contract for not more than 15,000 barrels of beer each  
13 calendar year;

14                   (4)    contract with the holder of a Class 2 rectifying license, a Class 5  
15 brewery license, or a Class 7 micro–brewery license to brew and bottle beer from  
16 ingredients produced on the licensed farm;

17                   (5)    import, export, and transport its beer in accordance with this section;

18                   (6)    store beer at a warehouse for which the license holder has been issued  
19 an individual storage permit, for sale and delivery to a wholesaler licensed in the State or  
20 a person outside the State authorized to acquire the beer, or shipment back to the licensed  
21 farm, if:

22                                   (i)    the license holder does not serve or sell beer at the warehouse;  
23 and

24                                   (ii)   the Comptroller has full access at all times to the warehouse to  
25 enforce this article; and

26                   (7)    enter into a temporary delivery agreement with a distributor only for  
27 delivery of beer to a beer festival or a wine and beer festival, and the return of any unused  
28 beer, if:

29                                   (i)    the festival is in a sales territory for which the license holder does  
30 not have a franchise with a distributor under the Beer Franchise Fair Dealing Act in Title  
31 5, Subtitle 1 of this article; and

32                                   (ii)   the temporary delivery agreement is in writing.

1 (d) (1) A Class 8 farm brewery may be located only at the place stated on the  
2 license.

3 (2) The place listed on the license shall be in compliance with § 1–405(b) of  
4 this article.

5 (e) Notwithstanding any local law, a license holder may exercise the privileges of  
6 a Class 8 farm brewery license.

7 (f) Subject to subsections (i) and (j) of this section, a license holder may exercise  
8 the privileges of the license each day:

9 (1) from 10 a.m. to 6 p.m., for consumption of beer and sales and service of  
10 food at the licensed farm; and

11 (2) from 10 a.m. to 10 p.m., for:

12 (i) sampling of beer;

13 (ii) consumption of beer off the licensed farm if the beer is packaged  
14 in sealed or resealable containers, such as growlers; and

15 (iii) guests who attend a planned promotional event or other  
16 organized activity at the licensed farm.

17 (g) Except as provided in Division II of this article, a Class 8 farm brewery license  
18 allows the license holder to operate 7 days a week.

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

21 (i) (1) A license holder may sponsor a multibrewery activity at the licensed  
22 farm that:

23 (i) includes the products of other Maryland breweries; and

24 (ii) provides for the sale of beer by the glass for on–premises  
25 consumption only.

26 (2) In a segregated area approved by the Comptroller on the licensed farm,  
27 a license holder may store the products of other Maryland breweries for the multibrewery  
28 activity.

29 (3) The multibrewery activity:

30 (i) may be held from 10 a.m. to 10 p.m. each day; and

1 (ii) may not exceed 3 consecutive days.

2 (j) (1) The Comptroller may issue a brewery promotional event permit to a  
3 license holder.

4 (2) At least 15 days before holding a planned promotional event, the license  
5 holder shall obtain a permit from the Comptroller by filing a notice of the promotional event  
6 on the form that the Comptroller provides.

7 (3) The permit authorizes the license holder to conduct at the licensed farm  
8 a promotional event at which the license holder may:

9 (i) provide samples of not more than 6 fluid ounces per brand to  
10 consumers; and

11 (ii) sell beer produced by the license holder to persons who  
12 participate in the event.

13 (4) The beer at the event shall be sold by the glass and for on-premises  
14 consumption only.

15 (5) The license holder may not be issued more than 12 permits in a  
16 calendar year.

17 (6) A single promotional event:

18 (i) may be held from 10 a.m. to 10 p.m. each day; and

19 (ii) may not exceed 3 consecutive days.

20 (7) The permit fee is \$25 per event.

21 (k) The annual license fee is \$200.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
23 1, 2017.