

SENATE BILL 1039

A1

5lr3638
CF HB 1551

By: **Senator Sydnor**

Introduced and read first time: February 13, 2025

Assigned to: Rules

Re-referred to: Finance, February 18, 2025

Committee Report: Favorable

Senate action: Adopted

Read second time: February 24, 2025

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages – Class 5 Breweries – On-Premises Consumption**

3 FOR the purpose of increasing the percentage of beer not produced by the holder of a Class
4 5 brewery license that the license holder is permitted to sell for on-premises
5 consumption under certain circumstances; and generally relating to Class 5
6 breweries and on-site consumption.

7 BY repealing and reenacting, without amendments,
8 Article – Alcoholic Beverages and Cannabis
9 Section 2–207(b) and (f)(1)(i)
10 Annotated Code of Maryland
11 (2024 Replacement Volume)

12 BY repealing and reenacting, with amendments,
13 Article – Alcoholic Beverages and Cannabis
14 Section 2–207(f)(2)
15 Annotated Code of Maryland
16 (2024 Replacement Volume)

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

19 **Article – Alcoholic Beverages and Cannabis**

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 2-207.

2 (b) There is a Class 5 brewery license.

3 (f) (1) (i) A local licensing board may grant an on-site consumption permit
4 to an applicant that holds a Class 5 brewery license and, subject to paragraph (5) of this
5 subsection, a Class D beer license.

6 (2) Subject to the maximum volume limit under paragraph (4) of this
7 subsection, a Class D beer license or an equivalent license under paragraph (5) of this
8 subsection entitles the holder to sell to an individual who has attained the legal drinking
9 age, for on-premises consumption at the brewery:

10 (i) beer:

11 1. of which the holder of the Class 5 license is the brand
12 owner; and

13 2. that is fermented and brewed entirely by the license
14 holder at a location authorized by this section;

15 (ii) beer that is fermented and brewed entirely at the brewery under
16 contract with a brand owner who does not possess a Class 5 license; and

17 (iii) subject to paragraph (3) of this subsection, beer brewed at a
18 location other than the Class 5 brewery if:

19 1. the brand owner of the beer is the holder of the Class 5
20 license or an affiliate of the holder of the Class 5 license;

21 2. the number of barrels of the beer sold for on-premises
22 consumption under the Class D beer license or an equivalent license or an on-site
23 consumption permit in a calendar year does not exceed the greater of:

24 A. ~~[25%]~~ **35%** of the total number of barrels of beer sold for
25 on-premises consumption under the Class D license or an equivalent license or an on-site
26 consumption permit in that calendar year; or

27 B. 1.2% of total finished production under the Class 5
28 brewery license; and

29 3. A. the license holder contracts with or on behalf of a
30 holder of a manufacturer's license or nonresident dealer's permit; or

31 B. the beer is manufactured by an affiliate of the license
32 holder.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2025.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.