

SENATE BILL 807

A1

(6lr3130)

ENROLLED BILL

— Finance/Government, Labor, and Elections —

Introduced by **Senator Bailey**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages – Class 8 Farm Brewery ~~and Class 10 Farm Distillery~~**
3 **Licenses**

4 FOR the purpose of ~~establishing a Class 10 farm distillery license that authorizes a license~~
5 ~~holder to distill, rectify, bottle, and sell at wholesale or retail distilled spirits~~
6 ~~produced on the licensed farm;~~ requiring that a holder of a Class 8 farm brewery
7 license ~~or a Class 10 farm distillery license~~ engage in certain agritourism activity;
8 altering certain standards and requirements for food service under a Class 8 farm
9 brewery license; providing an exception to a prohibition against issuing an alcoholic
10 beverages license for a premises that does not comply with local zoning laws for
11 certain Class 8 farm brewery licenses and Class 10 farm distillery licenses;
12 ~~authorizing the holder of a Class 10 farm distillery license to apply for and obtain~~
13 ~~additional Class 10 farm distillery licenses under certain circumstances and a Class~~
14 ~~8 liquor wholesaler's license;~~ and generally relating to Class 8 farm brewery ~~and~~
15 ~~Class 10 farm distillery~~ alcoholic beverages licenses.

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.

Italics indicate opposite chamber/conference committee amendments.



1 BY repealing and reenacting, with amendments,
 2 Article – Alcoholic Beverages and Cannabis
 3 Section 1-405, *and* 2-210, ~~and 2-212~~
 4 Annotated Code of Maryland
 5 (2024 Replacement Volume and 2025 Supplement)

6 ~~BY adding to~~
 7 ~~Article – Alcoholic Beverages and Cannabis~~
 8 ~~Section 2-203.1~~
 9 ~~Annotated Code of Maryland~~
 10 ~~(2024 Replacement Volume and 2025 Supplement)~~

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

13 **Article – Alcoholic Beverages and Cannabis**

14 1-405.

15 (a) A license may not be issued for a premises unless the premises conforms to all
 16 requirements set out in this article or the Tax – General Article.

17 (b) **(1) [A] EXCEPT FOR THIS SUBSECTION DOES NOT APPLY TO A CLASS**
 18 **8 FARM BREWERY LICENSE ISSUED UNDER § 2-210 OF THIS ARTICLE OR A CLASS 10**
 19 **FARM DISTILLERY LICENSE ISSUED UNDER § 2-203.1 OF THIS ARTICLE, A IF THE**
 20 **HOLDER OF THE CLASS 8 FARM BREWERY LICENSE HOLDS A CLASS 8 FARM**
 21 **BREWERY LICENSE FIRST ISSUED ON OR BEFORE JULY 1, 2015.**

22 **(2) A** license or an alcoholic beverages permit may not be issued for a
 23 premises unless the premises conforms with all zoning laws, regulations, or ordinances
 24 passed in accordance with Division I of the Land Use Article.

25 ~~2-203.1.~~

26 ~~(A) THERE IS A CLASS 10 FARM DISTILLERY LICENSE.~~

27 ~~(B) THE LICENSE MAY BE ISSUED ONLY TO A HOLDER OF A CLASS 8 FARM~~
 28 ~~BREWERY LICENSE.~~

29 ~~(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A LICENSE~~
 30 ~~HOLDER MAY SELL AND DELIVER SPIRITS PRODUCED ON THE LICENSED FARM TO:~~

31 ~~(i) A WHOLESALER LICENSED TO SELL AND DELIVER SPIRITS IN~~
 32 ~~THE STATE; OR~~

1 ~~(H) A PERSON IN ANOTHER STATE AUTHORIZED TO ACQUIRE~~
2 ~~SPIRITS.~~

3 ~~(2) THE DISTILLED SPIRITS TO BE SOLD AND DELIVERED UNDER~~
4 ~~PARAGRAPH (1) OF THIS SUBSECTION SHALL BE MANUFACTURED WITH AN~~
5 ~~INGREDIENT FROM A MARYLAND AGRICULTURAL PRODUCT, INCLUDING CORN,~~
6 ~~GRAIN, AND FRUIT, PRODUCED ON THE LICENSED FARM.~~

7 ~~(3) THE LICENSED FARM SHALL BE:~~

8 ~~(I) AN AGRIBUSINESS ENGAGED IN THE PRODUCTION,~~
9 ~~SHOWCASING, PREPARATION, AND SALE OF FARM PRODUCTS; AND~~

10 ~~(II) ACTIVELY ENGAGED IN AGRITOURISM BY EXPOSING THE~~
11 ~~PUBLIC TO FARMING AND VALUE ADDED FARMING PRACTICES.~~

12 ~~(D) A LICENSE HOLDER MAY:~~

13 ~~(1) (I) SUBJECT TO ITEM (II) OF THIS ITEM, ESTABLISH AND~~
14 ~~OPERATE A PLANT ON THE LICENSED FARM FOR DISTILLING, RECTIFYING, AND~~
15 ~~BOTTLING BRANDY, RUM, WHISKEY, ALCOHOL, AND NEUTRAL SPIRITS;~~

16 ~~(II) HAVE MORE THAN ONE LICENSE ISSUED BY THE~~
17 ~~COMMISSION AT THE SAME LOCATION IF THE LICENSE HOLDER:~~

18 ~~1. MAINTAINS A SINGLE BRAND AT ANY TIME FOR EACH~~
19 ~~PRODUCT OF BRANDY, RUM, WHISKEY, ALCOHOL, AND NEUTRAL SPIRIT THAT IS~~
20 ~~DISTILLED, RECTIFIED, AND SOLD; AND~~

21 ~~2. DOES NOT MANUFACTURE OR RECTIFY A PRODUCT OF~~
22 ~~ANY OTHER BRAND FOR A SEPARATE ENTITY;~~

23 ~~(III) HOLD OR OBTAIN:~~

24 ~~1. A CLASS 7 LIMITED BEER WHOLESALER'S LICENSE;~~
25 ~~OR~~

26 ~~2. A CLASS 8 LIQUOR WHOLESALER'S LICENSE;~~

27 ~~(2) ACQUIRE BULK ALCOHOLIC BEVERAGES FROM THE HOLDER OF A~~
28 ~~DISTILLERY OR RECTIFYING LICENSE IN THE STATE OR THE HOLDER OF A~~
29 ~~NONRESIDENT DEALER'S PERMIT;~~

~~(3) AFTER ACQUIRING AN INDIVIDUAL STORAGE PERMIT UNDER § 2-113 OF THIS TITLE, STORE PRODUCTS MANUFACTURED ON THE LICENSED FARM;~~

~~(4) SELL AND DELIVER THE PRODUCTS MANUFACTURED UNDER THE LICENSE FOR ON-PREMISES AND OFF-PREMISES CONSUMPTION;~~

~~(5) CONDUCT GUIDED TOURS OF THE PORTION OF THE LICENSED FARM USED FOR DISTILLING, RECTIFYING, AND BOTTLING;~~

~~(6) SERVE PRODUCTS THAT ARE MANUFACTURED ON THE LICENSED FARM OR BY ANOTHER MANUFACTURER IN THE STATE TO A CONSUMER AT NO CHARGE OR FOR A FEE;~~

~~(7) SELL OR SERVE FOOD IF THE LICENSE HOLDER:~~

~~(I) IS LICENSED TO OPERATE A FOOD ESTABLISHMENT UNDER TITLE 21, SUBTITLE 3 OF THE HEALTH - GENERAL ARTICLE;~~

~~(II) USES A LICENSED FOOD TRUCK;~~

~~(III) USES A LICENSED CATERER; OR~~

~~(IV) IS SELLING OR SERVING COTTAGE INDUSTRY FOOD PREPARED ON THE FARM UNDER § 21-330.1 OF THE HEALTH - GENERAL ARTICLE; AND~~

~~(8) IN ACCORDANCE WITH PARAGRAPH (C)(3) OF THIS SECTION:~~

~~(I) HOST FESTIVALS;~~

~~(II) PROVIDE LIVE MUSIC OR OTHER ENTERTAINMENT; OR~~

~~(III) RENT PORTIONS OF THE LICENSED FARM TO THE PUBLIC OR PRIVATE INDIVIDUALS OR GROUPS FOR FUNCTIONS OR EVENTS, INCLUDING:~~

~~1. BANQUETS;~~

~~2. WEDDINGS;~~

~~3. ANNIVERSARY PARTIES;~~

~~4. BIRTHDAY PARTIES;~~

1 ~~5. FUNDRAISERS; AND~~

2 ~~6. OTHER SIMILAR CELEBRATIONS OR EVENTS.~~

3 ~~(E) A LICENSE HOLDER MAY NOT:~~

4 ~~(1) EXCEPT AS PROVIDED IN PARAGRAPH (D)(1) OF THIS SECTION:~~

5 ~~(I) HOLD OR OBTAIN A WHOLESALER'S LICENSE; OR~~

6 ~~(H) OWN, OPERATE, OR BE AFFILIATED IN ANY MANNER WITH~~
7 ~~ANOTHER MANUFACTURER; OR~~

8 ~~(2) DISTILL, RECTIFY, BOTTLE, OR SELL MORE THAN 100,000~~
9 ~~GALLONS OF BRANDY, RUM, WHISKEY, ALCOHOL, OR NEUTRAL SPIRITS EACH~~
10 ~~CALENDAR YEAR.~~

11 ~~(F) A CLASS 10 FARM DISTILLERY MAY BE LOCATED ONLY AT THE PLACE~~
12 ~~DESCRIBED IN THE LICENSE.~~

13 ~~(G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND~~
14 ~~NOTWITHSTANDING ANY LOCAL LAW, A LICENSE HOLDER MAY EXERCISE THE~~
15 ~~PRIVILEGES OF A CLASS 10 FARM DISTILLERY LICENSE.~~

16 ~~(2) THE COMMISSION HAS EXCLUSIVE REGULATORY AUTHORITY~~
17 ~~OVER THE OPERATION OF A CLASS 10 FARM DISTILLERY.~~

18 ~~(H) THE ANNUAL LICENSE FEE:~~

19 ~~(1) SHALL BE DETERMINED BY THE EXECUTIVE DIRECTOR; AND~~

20 ~~(2) MAY NOT EXCEED \$500.~~

21 2-210.

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

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

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

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

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

5 **(3) THE LICENSED FARM SHALL BE:**

6 **(I) AN AGRIBUSINESS ENGAGED IN THE PRODUCTION,**
7 **SHOWCASING, PREPARATION, AND SALE OF FARM PRODUCTS; AND**

8 **(II) ACTIVELY ENGAGED IN AGRITOURISM BY EXPOSING THE**
9 **PUBLIC TO FARMING AND VALUE-ADDED FARMING PRACTICES.**

10 (c) A license holder may:

11 (1) (i) sell beer produced by the license holder ~~OR ANOTHER~~
12 ~~MANUFACTURER IN THE STATE~~ for on-premises and off-premises consumption;

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

15 1. at no charge; or

16 2. for a fee; ~~AND~~

17 (iii) sell or serve~~f~~:

18 1. bread and other baked goods;

19 2. chili;

20 3. chocolate;

21 4. crackers;

22 5. cured meat;

23 6. fruits (whole and cut);

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

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

26 9. ice cream;

- 1 10. jam;
- 2 11. jelly;
- 3 12. vinegar;
- 4 13. pizza;
- 5 14. prepackaged sandwiches and other prepackaged foods
- 6 ready to be eaten;
- 7 15. soup; and
- 8 16. condiments; and

9 (iv) subject to subsection (e)(2) of this section, sell or serve any food
10 if the license holder:

- 11 1. is licensed to operate a food establishment under Title 21,
- 12 Subtitle 3 of the Health – General Article;
- 13 2. **USES A LICENSED FOOD TRUCK;**
- 14 3. **USES A LICENSED CATERER; OR**
- 15 4. **IS SELLING OR SERVING COTTAGE INDUSTRY FOOD**
- 16 **PREPARED ON THE FARM UNDER § 21–330.1 OF THE HEALTH – GENERAL ARTICLE;**

17 (2) store, in a segregated area approved by the Executive Director, beer
18 produced by the license holder for sale and delivery to a wholesaler licensed in the State or
19 a person outside the State authorized to acquire the beer;

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

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

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

26 (6) store, brew, and bottle beer in a facility listed on a permit issued to the
27 license holder in accordance with § 2–113 of this title, for sale and delivery to a wholesaler
28 licensed in the State or a person outside the State authorized to acquire the beer, or
29 shipment back to the licensed farm, if:

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

3 (ii) the Executive Director has full access at all times to the
4 warehouse to enforce this article; [and]

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

8 (i) the festival is in a sales territory for which the license holder does
9 not have a franchise with a distributor under the Beer Franchise Fair Dealing Act in Title
10 5, Subtitle 1 of this article; and

11 (ii) the temporary delivery agreement is in writing; AND

12 **(8) IN ACCORDANCE WITH SUBSECTION (B)(3) OF THIS SECTION:**

13 **(I) HOST FESTIVALS;**

14 **(II) PROVIDE LIVE MUSIC OR OTHER ENTERTAINMENT; OR**

15 **(III) RENT PORTIONS OF THE LICENSED FARM TO THE PUBLIC OR**
16 **PRIVATE INDIVIDUALS OR GROUPS FOR FUNCTIONS OR EVENTS, INCLUDING:**

17 **1. BANQUETS;**

18 **2. WEDDINGS;**

19 **3. ANNIVERSARY PARTIES;**

20 **4. BIRTHDAY PARTIES;**

21 **5. FUNDRAISERS; AND**

22 **6. OTHER SIMILAR CELEBRATIONS OR EVENTS.**

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

25 [(2)] The place listed on the license shall be in compliance with § 1–405(b) of
26 this article.]

1 (e) (1) [Except as provided in] **SUBJECT TO** paragraph (2) of this subsection
2 and notwithstanding any local law, a license holder may exercise the privileges of a Class
3 8 farm brewery license.

4 (2) [A license holder who sells foods under subsection (c)(1)(iv) of this
5 section shall meet the same ratio of gross receipts between food and alcoholic beverages
6 sales as a holder of a Class D beer and wine license or an equivalent license in the
7 jurisdiction, as the local licensing board determines] ~~THE COMMISSION~~ **EXECUTIVE**
8 **DIRECTOR** HAS EXCLUSIVE REGULATORY AUTHORITY OVER THE OPERATION OF A
9 CLASS 8 FARM BREWERY.

10 (3) **EXCEPT AS PROVIDED IN A LOCAL FIRE SAFETY CODE, THE**
11 ~~COMMISSION~~ **EXECUTIVE DIRECTOR** MAY NOT LIMIT THE NUMBER OF VISITORS ON
12 THE LICENSED PREMISES.

13 (f) (1) This subsection does not apply to a permit issued under § 2–140 of this
14 title.

15 (2) A license holder at the location listed on the license may exercise the
16 **RETAIL** privileges of the license each day from 10 a.m. to 10 p.m.

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 location
22 issued on the license that:

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

24 (ii) provides for the sale of products in the manner authorized under
25 the license.

26 (2) In a segregated area approved by the Executive Director at the location
27 listed on the license, a license holder may store the products of other Maryland breweries
28 for the multibrewery activity.

29 (3) The multibrewery activity:

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

31 (ii) may not exceed 3 consecutive days.

32 (j) The annual license fee:

1 (1) shall be determined by the Executive Director; and

2 (2) may not exceed \$200.

3 (k) (1) On or before December 1 each year, the Executive Director shall report
4 to the Senate **FINANCE** Committee [on Education, Energy, and the Environment] and the
5 House [Economic Matters] **GOVERNMENT, LABOR, AND ELECTIONS** Committee, in
6 accordance with § 2–1257 of the State Government Article, the total beer production of each
7 Class 8 license holder in the preceding fiscal year, identified by jurisdiction and license
8 holder.

9 (2) Each holder of a Class 8 license shall report to the Executive Director
10 the information needed to prepare the annual report required under this subsection.

11 (3) The Executive Director shall include the information reported under
12 this subsection in the annual report submitted under § 1–316 of this article.

13 ~~2–212.~~

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

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

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

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

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

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

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

1 ~~(b) (1) The holder of a rectifying or winery license may apply for and obtain a~~
2 ~~wholesaler's license of any class for the same premises or elsewhere as provided under this~~
3 ~~article.~~

4 ~~(2) The holder of a Class 4 limited winery license may apply for and obtain~~
5 ~~a Class 6 limited wine wholesaler's license for the same premises or elsewhere as provided~~
6 ~~under this article.~~

7 ~~(3) (i) The holder of a Class 5 brewery license or Class 7 micro brewery~~
8 ~~license may apply for and obtain a Class 7 limited beer wholesaler's license in accordance~~
9 ~~with this paragraph.~~

10 ~~(ii) A holder of a Class 5 brewery license that was selling the holder's~~
11 ~~own beer at wholesale in the State as of January 1, 2013, may obtain a Class 7 limited beer~~
12 ~~wholesaler's license to continue to sell the holder's own beer at wholesale in the same~~
13 ~~location in an amount that is not more than 5,000 barrels annually.~~

14 ~~(iii) A holder of a Class 5 brewery license that produces in aggregate~~
15 ~~from all its locations not more than 45,000 barrels of beer annually may obtain a Class 7~~
16 ~~limited beer wholesaler's license and distribute not more than 5,000 barrels of its own beer~~
17 ~~annually.~~

18 ~~(4) A holder of one or two Class 7 micro brewery licenses that produces in~~
19 ~~aggregate from all of its locations not more than 45,000 barrels of beer annually may obtain~~
20 ~~a Class 7 limited beer wholesaler's license and distribute beer that:~~

21 ~~(i) totals annually not more than 5,000 barrels in aggregate from all~~
22 ~~of its locations; and~~

23 ~~(ii) has been brewed at the location from where it is distributed.~~

24 ~~(5) The holder of a Class 1 distillery license may apply for and obtain a~~
25 ~~Class 8 liquor wholesaler's license for the same premises or elsewhere as provided under~~
26 ~~this article.~~

27 ~~(6) The holder of a Class 9 limited distillery license OR A CLASS 10 FARM~~
28 ~~DISTILLERY LICENSE may apply for and obtain a Class 8 liquor wholesaler's license, for~~
29 ~~the same premises or elsewhere as provided under this article, and distribute its own liquor.~~

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
31 1, 2026.