



# REFORM ON TAP ACT OF 2018

A WORLD WITHOUT LIMITS.

**Peter Franchot**  
*Comptroller*

# CLASS 5 BREWERY TAPROOM SALES

## Current Law

2,000 barrel limit annually on taproom sales. An additional 1,000 barrels can be sold under the “buy-back” provision that was included in House Bill 1283.

## Reform on Tap Act of 2018

**NO LIMITS.**

## CLASS 7 BREWERY TAPROOM SALES

### Current Law

Class 7 Breweries may only sell up to 4,000 barrels of beer annually for on-premise consumption.

### Reform on Tap Act of 2018

**NO LIMITS.**

## LIMITS ON QUANTITY OF CLASS 5 TAKE-HOME SALES

### Current Law

An individual may only purchase 288 ounces of beer – or a case – per visit at Class 5 Taprooms.

### Reform on Tap Act of 2018

**NO LIMITS.**

## SPECIAL REQUIREMENTS FOR TAKE-HOME PURCHASES

### Current Law

In order to sample beer from the taproom or purchase beer to take home, a consumer must participate in a guided tour of the brewery or special event being held in the brewery.

### Reform on Tap Act of 2018

No tour/special events requirement for off-premises consumption.

# PRODUCTION LIMITS FOR BREWERY LICENSE HOLDERS

## Current Law

Class 7 Breweries can brew, bottle, or contract for up to 22,500 barrels of beer annually.

Class 8 Breweries can brew, bottle, or contract for up to 15,000 barrels of beer annually.

## Reform on Tap Act of 2018

**NO LIMITS.**

# BUY-BACK PROVISION

## Current Law

If a Class 5 Brewery taproom sells more than 2,000 barrels of beer, and should they wish to sell an additional 1,000 barrels of beer, the brewer is required by law to sell the additional beer to the distributor, who must transport the beer from the brewery to their warehouse.

The distributor must off-load the beer into their warehouse, and must then load the beer back into their trucks then drive the barrels back to the brewery.

The brewer must buy their own beer back from the distributor at a higher cost before selling the beer to their customers.

## Reform on Tap Act of 2018

Eliminate buy-back provision.

## TAPROOM HOURS OF OPERATION

### Current Law

After April 1, 2017, new Class 5 breweries that obtain a beer license are restricted to operate between the hours of 10:00 AM – 10:00 PM, Mondays through Sundays.

### Reform on Tap Act of 2018

Hours of operation to be decided by local governments.



# CLASS 5 BREWERS' ELIGIBILITY TO OBTAIN CLASS B BEER OR D BEER LICENSE

## Current Law

Local licensing boards *may* grant Class B beer or Class D beer license to Class 5 Breweries.

## Reform on Tap Act of 2018

All Class 5 Brewers are automatically able to obtain a Class B license or Class D beer license.

## FRANCHISE LAWS

### Current Law

All breweries are subject to Maryland's franchise laws.

### Reform on Tap Act of 2018

Breweries producing less than 300,000 barrels of beer annually will not be bound by franchise law, and will be able to enter into private contract with their distributor.

## SELF-DISTRIBUTION

### Current Law

Breweries who produce no more than 22,500 barrels may self-distribute up to 3,000 barrels of their beer products annually.

### Reform on Tap Act of 2018

All breweries who produce less than 300,000 barrels annually have unlimited self-distribution privileges.

## CONTRACT BREWING

### Current Law

Only 25% of beer that is contract brewed for a Class 5 Brewer may be sold in that brewer's taproom.

### Reform on Tap Act of 2018

Contract brewing is permitted without restrictions for breweries that produce at least 50 barrels annually.

Establishes a two-year provisional license for start-up brewers that are contracting beer.

## THE 12-PACK: REFORM ON TAP ACT OF 2018

1. No limits for Class 5 taproom sales.
2. No limits for Class 7 taproom sales.
3. No limits for take-home sales.
4. No tour or special events requirements for Class 5 take-home sales.
5. No limits on production of beer.
6. Repeal the “buy-back” provision for Class 5 taproom sales.
7. Hours of taproom operations to be determined by local governments.
8. Class 5 brewers shall obtain a Class B beer license or Class D beer license upon request.
9. Brewers producing less than 300,000 barrels of beer annually are not subject to franchise laws.
10. Unlimited self-distribution permitted for brewers producing less than 300,000 barrels of beer annually.
11. Contract brewing is permitted; lifts taproom sale restrictions on contract brewed beer.
12. Establishes a two-year provisional license for start-up brewers who are contracting beer.



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