

BRIEF

New Class 1 Distillery Law Effective July 1, 2017



Effective July 1, 2017, a Class 1 Distillery licensee no longer needs a Class 2 to bottle, samples may be served in the form of a cocktail, various bottle sizes may be sold.

HB42 went into effect July 1, 2017, creating new provisions for Class 1 Distillery license holders related to the manufacturing, sampling and sale of products.

#1: General Revisions

HB42 provides a few modernizations for Class 1 distillers, notably the ability to:

- Blend and bottle, negating the need for the holder of a Class 1 license to obtain a Class 2 Rectifier license;
- Purchase bulk or packaged product from a manufacturer or wholesaler—from in or out of state—for distilling and blending. This includes the ability to purchase from wineries, breweries, distilleries and wholesalers;
- Charge for samples or offer them for free;
- Provide samples of up to 2-oz per visitor, with each sample consisting of ½-oz each;
- Provide samples in the form of a cocktail consisting of product produced by the distillery and non-alcoholic ingredients;
- Sell up to 2.25L of product in any bottle size per person, per visit.

#2: Samples as Cocktails

The law authorizes a Class 1 Distillery licensee to offer samples in the form of a cocktail. This presents new

opportunities for promotion, but also new regulations.

The law states that a licensee may “serve samples blended with products manufactured by the license holder or nonalcoholic ingredients.”

Health Department License. If a distiller wishes to serve samples with ingredients that are “shelf-stable” (i.e., that do not require refrigeration) *and* are self-served by the customer, no health department license is required. In any other circumstance, a local health department inspection and license is required. Essentially, the prepping/opening and service of food items brings the distiller into restaurant regulations.

FREQUENTLY ASKED QUESTIONS

Q: Can a distillery use alcohol products that it does not produce in its sample cocktails? I.e., vermouth...

A: No, all alcohol used in the sample cocktails must be those produced by the licensee.

Q: If a distillery offers a gin and tonic sample, must it obtain a health department license?

A: If the tonic is opened/poured by the customer, no. If the tonic is poured by the distiller, and/or if the distiller offers a lime wedge that it sliced, a permit is required.

For more information

Contact Maryland Distillers Guild with questions.

MARYLAND DISTILLERS GUILD

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