ATCC ADVISORY
ALCOHOL TOBACCO AND CANNABIS COMMISSION

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New Regulations for Non-Conforming Beverages (Ready-to-Drink Products)

TO: Alcoholic Beverage Manufacturers, Suppliers, Wholesalers, and Retailers

DATE: November 6, 2026

Purpose

Effective **November 9, 2026**, new regulation COMAR 14.23.01.20 establishes the designation of **"non-conforming beverages"** for certain alcoholic beverages commonly known as *ready-to-drink* (RTD) beverages or canned cocktails. Corresponding amendments to COMAR 14.23.01.08 exclude these beverages from the existing wine and distilled spirits distributorship appointment requirements, allowing them to be regulated under the separate distribution framework established by the new regulation.

This change is intended to allow an orderly distribution of these beverages which are spirit and wine based, by maintaining a unique right to distribute these products but doing so in smaller geographical territories. The regulation provides an official process for suppliers to designate distributors for these beverages across the State in an economically equitable manner.

Definition and Product Eligibility

Under COMAR 14.23.01.20, a non-conforming beverage is an alcoholic beverage that:

1. Is intended as a single serving in an individually sealed commercial container with a non-resealable lid or cap;
2. Contains **20% or less alcohol by volume (ABV)**;
3. Contains wine or distilled spirits, in whole or in part; and
4. Contains a non-alcoholic beverage component.

Beer, as defined under Maryland law, and multi-serving containers are generally excluded. Multi-packs of individually sealed, single-serving beverages may qualify.

Exemption Requests: Suppliers may request that the Executive Director designate a product that does not otherwise meet the definition as a non-conforming beverage or approve an exception to the packaging requirements. Requests must be submitted for review and approval in a format approved by the Executive Director.

Wholesaler Appointments and Geographic Territories

The regulations permit suppliers to appoint different licensed wholesalers to distribute the same brand of non-conforming beverages in different Maryland counties, subject to the following requirements:

- **Countywide Territories:** Appointments must cover entire counties, to include Baltimore City, or the entire State. Unlike beer franchise appointments, partial-county territories are not permitted.
- **Exclusive Appointments:** Only one wholesaler may distribute a brand within a county, to include Baltimore City, except during the permitted 30-day transition period. Multiple wholesalers may not distribute the same brand to the same retail location.
- **Notification of Changes:** Suppliers changing wholesalers, and wholesalers discontinuing a brand, must provide at least 30 days' notice to the affected party and ATCC.
- **No Change to Wine and Distilled Spirits Procedures:** Existing distributorship appointment requirements under COMAR 14.23.01.08 remain in effect for wine and distilled spirits that do not qualify as non-conforming beverages, including the applicable 30-day notice and inventory repurchase requirements.
- **Clear Definition of Supplier:** The definition of "supplier" has been amended to apply to the initial source of supply for a product. Because there is only one supplier under the narrowed definition, a "daisy chain" distribution system is no longer permitted.

Submission of Wholesaler Appointments

All wholesaler appointments, excluding existing appointments that will remain statewide, must be submitted on the approved form to atccresearch.unit@maryland.gov.

Each form shall include single brand and identify the supplier, the brand, its appointed licensed wholesaler, and the applicable geographic territory(ies).