



# ATCC

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## Alcohol Compliance Bulletin ACB – 24-003

### ***\*LAW CHANGE AFTER JUNE 30, 2024: NEW PERMIT AVAILABLE FOR DIRECT-TO-CONSUMER DELIVERY BY CERTAIN MANUFACTURER LICENSE TYPES AND END OF DIRECT SHIPPING AUTHORIZATION\****

**Subject:** *Application available for Direct Delivery Permits to operate on July 1, 2024, under Chapter Bill 918 (SB1041) of the Acts of 2024 Breweries, Wineries, and Distilleries Direct Delivery Permit and end of privileges to deliver or ship under ABC § 2-219 on June 30, 2024.*

This bulletin is directed to Maryland Manufacturers (“Manufacturers”) of beer, wine, and liquor or who seek to deliver their products directly to consumers or who have current authorization to deliver and/or ship their products directly to consumers pursuant to Maryland Alcoholic Beverages and Cannabis Article (“ABCA”) §2-219. This bulletin is intended to advise you about the application process for a new permit issued by the Alcohol, Tobacco, and Cannabis Commission (ATCC), and to advise manufacturing entities that currently ship or deliver alcoholic beverages of important changes in the law that are effective July 1, 2024.

**First, effective July 1, 2024, Maryland Manufacturers must cease and desist from shipping their products directly to a consumer via a common carrier. The only exception is for Class 3 and Class 4 wineries that have and maintain a direct wine shipper’s permit.**

**Second, with the passage Chapter Bill 918 (SB1041) of the Acts of 2024 Breweries, Wineries, and Distilleries Direct Delivery Permit, Maryland Manufacturers may make application to the ATCC for a direct-to-consumer delivery permit (direct delivery permit) to continue to provide direct delivery to their customers on July 1, 2024.**

During the 2024 Maryland Legislative Session, the General Assembly passed Senate Bill 1041, which was signed into law by Governor Moore as Chapter Bill 918 on May 16, 2024. This law creates an annual permit authorizing licensed manufacturers to deliver their products directly to consumers in

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Maryland. This permanent law change replaced the temporary measures to allow direct-to-consumer sales that were passed by the legislature in 2021 and create a regulatory structure that ensures alcoholic beverages are delivered safely and responsibly by manufacturers, while complying with Maryland’s three tier system for alcohol distribution.

In anticipation of the law’s effective date, the ATCC created an application, supporting documents, and processes to ensure the issuance of direct delivery permits to Maryland Manufacturers are issued in advance of July 1, 2024. Enclosed with this bulletin is an application form, a quarterly delivery volume reporting form, and a template individual delivery log to be maintained alongside invoicing records with each consumer sale.

The permit requires an application to be submitted to the ATCC, along with payment of a \$200 fee. The permit may be renewed annually and is active for 1 year from July 1<sup>st</sup> to June 30<sup>th</sup> of the following year. To be eligible for a direct delivery permit, a license holder must hold both a manufacturing license issued by the ATCC and a corresponding limited wholesaler’s license to distribute its own manufactured products.

Eligible manufacturers must therefore have one of the following pairs of licenses:

<b><u>Winery:</u></b>	<b><u>Brewery:</u></b>	<b><u>Distillery:</u></b>
<b>M-4 Limited Winery License</b>	<b>M-5 manufacturer’s, M-7 Micro-brewery, or M-8 Farm Brewery License</b>	<b>M-1 Distillery or M-9 Limited Distillery License</b>
<b>-AND-</b>	<b>-AND-</b>	<b>-AND-</b>
<b>W-6 Limited Wine Wholesaler’s License</b>	<b>W-7 Limited Beer Wholesaler’s License</b>	<b>W-8 Limited Distilled Spirits Wholesaler’s License</b>

As with their respective limited wholesaler’s license, a permit holder shall only deliver the alcoholic beverages produced under their manufacturing license. Manufacturers that also hold local licenses or on-site consumption permits to operate restaurants or taprooms must continue to abide by local regulations and the laws that govern those operations. **The direct delivery permit does not extend to any products or retail operations outside of the scope of the manufacturing license held by the business.**

Direct deliveries to consumers under the direct delivery permit are subject to limitations to protect Maryland consumers and to ensure that alcoholic beverages are not delivered to underage persons.

- All products sold under the permit must be in commercially sealed manufacturers' containers and be conspicuously labeled with the name of the manufacturer and the name and address of the customer or designated recipient.
- Customers must be over 21 and must pay for all products at the time they place the purchase order. Customers may designate another person over 21 to receive the delivery but must specifically identify that adult recipient when they place the order.
- Deliveries must be made by employees of the license holder who are over 18 and be certified by an approved alcohol awareness program.
- The customer or designated adult recipient must be physically present to accept the delivery, and delivery staff must examine a government issued identification of the recipient to verify their age and identity before completing the delivery.
- Delivery staff will complete and sign a form with each delivery to certify these requirements were met, and permit holders must maintain those forms in the same manner as other invoicing records subject to inspection by the ATCC.

Additionally, permit holders will be required to submit a report to the ATCC each quarter that logs each consumer delivery and includes the following:

- The product sold; and
- The type and volume of alcohol; and
- The name and address of the recipient

This record is in addition to any tax reporting requirements submitted to the Comptroller of Maryland to ensure that both excise and alcohol sales and use taxes are collected with each sale. Permits holders must also be aware of the following limits on the amount of alcohol that can be delivered to an individual consumer or address each calendar year:

**Wine – No more than the equivalent of 18 standard 9-liter cases.** This limit applies to all deliveries to a single address, including products shipped by the winery under a Direct Wine Shipper's Permit.

**Beer – No more than 3,456 ounces** (288 12-ounce cans). This includes hard cider, mead, and other brewed beverages produced by breweries.

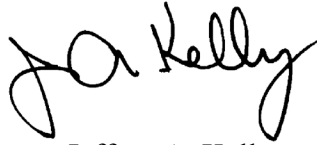
**Liquor/Distilled Spirits – No more than the equivalent of 24 standard 750ml bottles.** This includes spirits-based RTDs, regardless of package format or ABV.

Finally, as previously stated in this bulletin, the newly created direct delivery permit replaces and supersedes any privilege granted to manufacturers pursuant to ABCA §2-219. As laid out in Chapter Bill 594 (SB448) of the Acts of 2023, that section of the code is repealed effective June 30, 2024. Manufacturers other than permitted direct wine shippers are no longer authorized to ship any of their products through third parties or common carriers after June 30, 2024.

Any authorization letters previously issued by the ATCC to conduct direct to consumer delivery sales pursuant to ABCA §2-219 expire on June 30, 2024, and have no legal effect after that date.

Manufacturers who wish to continue delivery operations without any interruption in service should complete, submit, and have delivered to ATCC offices a direct delivery permit application on or before June 28, 2024, to ensure that direct deliveries to consumers can continue without interruption on July 1, 2024.

If you have any questions or concerns regarding this bulletin, please do not hesitate to contact our offices at 443-300-6990 or email the ATCC's licensing unit at [atcc.licensing@maryland.gov](mailto:atcc.licensing@maryland.gov).

A handwritten signature in black ink that reads "JA Kelly". The signature is fluid and cursive, with the initials "JA" being particularly prominent.

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Alcohol, Tobacco, and Cannabis Commission