

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1399 (Delegate Barve)
Economic Matters

Referred to Economic and Environmental Affairs

Alcoholic Beverages - Micro-Brewery License

This amended bill increases from 10,000 to 50,000 the number of barrels of malt beverages that a Class 7 micro-brewery licensee may brew annually. Of this amount, no more than 4,000 barrels may be available for sale on the Class B restaurant premises. Class 7 licensees who want to produce more than 50,000 barrels annually must divest themselves of their Class B licenses and obtain Class 5 manufacturer's licenses. In addition, a licensee may brew and bottle malt beverages at a second location on the approval of the State Comptroller and the payment of an additional \$500 fee.

Fiscal Summary

State Effect: General fund revenues could increase by an indeterminate minimal amount. Expenditures would not be affected.

Local Effect: None.

Fiscal Analysis

State Revenues: Currently, there are six Class 7 micro-brewery licenses issued by the State Comptroller. Under the bill, a micro-brewery would be allowed to brew and bottle malt beverages at a second location after paying an additional \$500 fee. Accordingly, general fund revenues would increase by \$500 for each micro-brewery seeking to do so. The number of micro-breweries seeking an additional license cannot be determined, but any revenue increase is assumed to be minimal. Similarly, general fund revenues could increase by \$1,000 for each micro-brewery that is required to divest itself of their Class B license and obtain a Class 5 manufacturer's license. Under the bill, if a micro-brewery

brews more than 50,000 gallons annually, it must obtain a Class 5 manufacturer's license. The license fee for a Class 5 manufacturer's license is \$1,500, while the fee for a micro-brewery license is \$500.

Information Source(s): Office of the Comptroller, Department of Fiscal Services

Fiscal Note History: First Reader - February 28, 1996
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