
By: **Delegates V. Clagett, McIntosh, Bartlett, Bohanan, Cane, Cluster, Donoghue, Eckardt, Edwards, Glassman, Haddaway, Hogan, Impallaria, Jennings, Kach, Kaiser, Kullen, Mayer, McConkey, McDonough, McKee, Montgomery, O'Donnell, Parrott, Rudolph, Shank, Shewell, Stocksdale, Stull, and Weldon**

Introduced and read first time: February 22, 2005

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Agriculture - Maryland Wine and Grape Promotion Fund and Council -**
3 **Establishment**

4 FOR the purpose of establishing a Maryland Wine and Grape Promotion Fund for
5 certain purposes; establishing a Maryland Wine and Grape Promotion Council;
6 providing for the membership of the Council; requiring the Council to make
7 certain recommendations to the Board of Public Works regarding certain grants;
8 requiring certain alcohol tax proceeds on wine sold in the State be distributed to
9 the Fund; establishing the Department of Agriculture as the holder of the Fund
10 for certain administrative purposes; authorizing certain deductions by the
11 Department for administering the Fund; establishing certain eligible activities
12 paid for by the Fund; establishing the Board of Public Works as the final
13 approving authority on grants from the Fund; and generally relating to the
14 Maryland Wine and Grape Promotion Fund and the Maryland Wine and Grape
15 Promotion Council.

16 BY adding to
17 Article - Agriculture
18 Section 2-1101 through 2-1103 to be under the new subtitle "Subtitle 11.
19 Maryland Wine and Grape Promotion Fund and Council"
20 Annotated Code of Maryland
21 (1999 Replacement Volume and 2004 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article - Tax - General
24 Section 2-301
25 Annotated Code of Maryland
26 (2004 Replacement Volume)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article - Agriculture**

4 SUBTITLE 11. MARYLAND WINE AND GRAPE PROMOTION FUND AND COUNCIL.

5 2-1101.

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (B) "COUNCIL" MEANS THE MARYLAND WINE AND GRAPE PROMOTION
9 COUNCIL.

10 (C) "FUND" MEANS THE MARYLAND WINE AND GRAPE PROMOTION FUND.

11 2-1102.

12 (A) THERE IS A MARYLAND WINE AND GRAPE PROMOTION FUND.

13 (B) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS TO
14 NONGOVERNMENTAL ORGANIZATIONS FOR THE PURPOSE OF PROMOTING:

15 (1) THE PRODUCTION AND CONSUMPTION OF MARYLAND WINE IN THE
16 STATE; AND

17 (2) THE PRODUCTION OF GRAPES IN THE STATE.

18 (C) THE FUND IS A SPECIAL NONLAPSING FUND THAT IS NOT SUBJECT TO §
19 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

20 (D) THE SECRETARY SHALL HOLD THE FUND SEPARATELY AND THE
21 COMPTROLLER SHALL ACCOUNT FOR THE FUND.

22 (E) THE DEPARTMENT MAY DEDUCT NOT MORE THAN 2% OF THE PROCEEDS
23 PAID INTO THE FUND FOR ADMINISTRATION EXPENSES INCURRED BY THE
24 DEPARTMENT.

25 (F) THE FUND CONSISTS OF:

26 (1) REVENUE DISTRIBUTED TO THE FUND UNDER § 2-301(B) OF THE TAX
27 - GENERAL ARTICLE;

28 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

29 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE
30 BENEFIT OF THE FUND.

31 (G) THE FUND MAY ONLY BE USED FOR:

- 1 (1) MARKETING;
- 2 (2) RESEARCH;
- 3 (3) ADVERTISING;
- 4 (4) RETAILER PROMOTIONS;
- 5 (5) FESTIVAL PROMOTIONS;
- 6 (6) ADMINISTRATIVE COSTS OF THE COUNCIL; AND
- 7 (7) EDUCATIONAL SEMINARS.

8 (H) ON RECOMMENDATION FROM THE COUNCIL, THE BOARD OF PUBLIC
9 WORKS SHALL APPROVE EXPENDITURES FROM THE FUND IN THE FORMS OF GRANTS
10 TO NONGOVERNMENTAL ORGANIZATIONS.

11 2-1103.

12 (A) THERE IS A MARYLAND WINE AND GRAPE PROMOTION COUNCIL.

13 (B) THE COUNCIL SHALL CONSIST OF:

14 (1) THE SECRETARY OF AGRICULTURE, OR THE SECRETARY'S DESIGNEE;

15 (2) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, OR
16 THE SECRETARY'S DESIGNEE; AND

17 (3) THE SECRETARY OF BUDGET AND MANAGEMENT, OR THE
18 SECRETARY'S DESIGNEE.

19 (C) WITH THE ADVICE OF THE MARYLAND WINE AND GRAPE ADVISORY
20 COMMITTEE, THE COUNCIL SHALL RECOMMEND TO THE BOARD OF PUBLIC WORKS
21 GRANTS TO BE DISBURSED TO NONGOVERNMENTAL ORGANIZATIONS IN
22 ACCORDANCE WITH § 2-1102(B) OF THIS SUBTITLE.

23 **Article - Tax - General**

24 2-301.

25 (a) From the alcoholic beverage tax revenue, the Comptroller shall distribute
26 the amount necessary to administer the alcoholic beverage tax laws to an
27 administrative cost account.

28 (b) AFTER MAKING THE DISTRIBUTION REQUIRED UNDER SUBSECTION (A) OF
29 THIS SECTION, THE COMPTROLLER SHALL DISTRIBUTE TO THE MARYLAND WINE
30 AND GRAPE PROMOTION FUND:

31 (1) 5% OF THE ALCOHOLIC BEVERAGE TAX REVENUE GENERATED FROM
32 WINE SOLD IN THE STATE IN FISCAL YEAR 2006;

1 (2) 7.5% OF THE ALCOHOLIC BEVERAGE TAX REVENUE GENERATED
2 FROM WINE SOLD IN THE STATE IN FISCAL YEAR 2007; AND

3 (3) 10% OF THE ALCOHOLIC BEVERAGE TAX REVENUE GENERATED
4 FROM WINE SOLD IN THE STATE IN FISCAL YEAR 2008 AND EACH FISCAL YEAR
5 THEREAFTER.

6 (C) After making the distribution required under [subsection]
7 SUBSECTIONS (a) AND (B) of this section, the Comptroller shall distribute the
8 remaining alcoholic beverage tax revenue to the General Fund of the State.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2005.