

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 196

(Senator Colburn)

Education, Health, and Environmental Affairs

Economic Matters

Wicomico County - Alcoholic Beverages Act of 2010

This bill authorizes the Wicomico County Board of License Commissioners to issue a beer tasting license and a beer/wine tasting license. The license fee is set at \$150 for a beer tasting license and \$250 for a beer/wine tasting license. The bill specifies that the Comptroller may only issue one Class 6 pub-brewery license or one Class 7 micro-brewery license, but not both, in an enterprise zone in Wicomico County to a person who holds no more than three Class B beer, wine, and liquor licenses and repeals provisions of law authorizing the Board of License Commissioner to issue the license. The bill increases the number of days during which a beer or wine tasting event may take place from 15 to 20 days. The bill authorizes an individual who is at least 16 years old and who has a work permit to be employed to stock alcoholic beverages or clear tables and bar areas in Wicomico County.

The bill takes effect July 1, 2010.

Fiscal Summary

State Effect: None. The bill does not substantively affect State operations or finances.

Local Effect: Wicomico County revenues increase by approximately \$300 beginning in FY 2011 through the sale of beer/wine tasting licenses. The actual revenue increase depends upon the number of new licenses issued by the board of license commissioners. County expenditures are not affected.

Small Business Effect: Potential meaningful. Small businesses that are able to hold beer tasting events may realize increased revenues.

Analysis

Current Law: The Wicomico County Board of License Commissioners may issue a wine tasting license for wine tasting and sampling. The annual license fee is \$150.

In Wicomico County, the Board of License Commissioners may issue one Class 6 pub-brewery license or one Class 7 micro-brewery license, but not both, to a person that holds no more than three Class B beer, wine and liquor licenses. A Class 6 pub-brewery license or a Class 7 micro-brewery license may be issued only for a location in an enterprise zone in the City of Salisbury.

A holder of a Class 7 micro-brewery license may only sell beer for off-premises consumption to a licensed wholesaler.

Background: A Class 6 pub-brewery license is issued by the Comptroller to a holder of a Class B beer, wine, and liquor (on-sale) license. In part, the holder of a Class 6 pub-brewery license may sell malt beverages for off-premises consumption in sealed refillable containers. The license fee is \$500 per license year.

Class 7 micro-brewery (on- and off-sale) licenses are issued by the Comptroller for use in 17 jurisdictions – Allegany, Anne Arundel, Baltimore, Calvert, Carroll, Charles, Dorchester, Frederick, Garrett, Harford, Howard, Montgomery, Prince George’s, Talbot, and Wicomico counties, and Baltimore City and Annapolis. In general, the license is issued only to a holder of a Class B beer, wine, and liquor (on-sale) license that is issued for use on the premises of a restaurant with exceptions for Montgomery and Prince George’s counties. License holders may sell up to 4,000 barrels of beer to customers for consumption on the premises.

Except in Wicomico County, a holder of a Class 7 micro-brewery license may, in part, brew and bottle beer at the licensed location for sale to go. The license fee is \$500 per license year.

The bill corrects provisions of law which authorize the Board of License Commissioners in Wicomico County to issue either a Class 6 pub-brewery license or Class 7 micro-brewery license to a person that holds no more than three Class B beer, wine, and liquor licenses.

Local Fiscal Effect: Wicomico County advises that it has issued wine tasting licenses for seven establishments in the county. It is estimated that three of these establishments will opt to hold beer tastings as well and will therefore purchase a beer/wine tasting license. As a result, county revenues will increase by approximately \$300 annually beginning in fiscal 2011 due to issuing three beer/wine tasting licenses, in addition to the

wine tasting license it has currently issued. The revenue increase reflects the difference between the \$150 fee for a beer tasting license and the \$250 fee for the beer/wine tasting license for the three establishments purchasing a beer/wine tasting license. To the extent more licenses are issued county revenues will increase accordingly.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Wicomico County, Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - February 9, 2010
ms/hlb Revised - Senate Third Reader - March 23, 2010

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