

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 1387
Economic Matters

(Delegate Murphy)

Education, Health, and Environmental Affairs

Charles County - Winery Special Event Permits - Farmers' Markets

This bill authorizes the Comptroller's Office to issue a winery special event permit to a Class 4 Maryland limited winery for unlimited use for one day each week at a farmers' market in Charles County that is listed on the Farmers' Market Directory of the Maryland Department of Agriculture (MDA).

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues. The fee for the winery special event permit is \$25 per event. Expenditures are not affected.

Local Effect: None.

Small Business Effect: Potential meaningful impact for participating Class 4 Maryland limited wineries and for farmers' markets in Charles County.

Analysis

Current Law: The Comptroller's Office may issue up to 12 winery special event permits to a holder of a Class 4 manufacturer's (Maryland limited winery) license in any given calendar year, and the permit does not exceed three consecutive days. With some exceptions, an individual may not be granted more than three winery special event permits for use in the same political subdivision during a calendar year. Baltimore, Carroll, Frederick, Montgomery, and Prince George's counties allow an individual to receive an additional 12 winery special event permits for use at farmers' markets in each

county. Additionally, Calvert County allows a winery special event permit to be issued for unlimited use for one night each week from June through November at the North Beach Friday Night Farmers' Market.

The winery special event permit may only be issued for an event which (1) has as its major purpose an activity other than the sale and promotion of alcoholic beverages and for which the participation of the winery is a subordinate activity; (2) is approved by MDA and the Comptroller's Office; and (3) is held on a nonlicensed premises or a premises on which a person may obtain a temporary alcoholic beverages license.

A winery special event permit authorizes the permit holder to provide one-ounce samples, sell wine by the glass for on-premises consumption, and sell no more than four 750 ml bottles of wine to a consumer for off-premises consumption. The fee for a winery special event permit is \$25 per event.

Background: Statewide, 191 winery special event permits were issued in fiscal 2011, which resulted in \$4,775 in general fund revenues due to collection of the \$25 permit issuance fee. There are currently three farmers' markets in Charles County listed in the MDA 2011 Farmers' Market Directory (the La Plata Farmers' Market, the St. Charles Farmers' Market, and the Waldorf Farmers' Market).

State Fiscal Effect: There are 54 Class 4 limited wineries in Maryland that may take advantage of the expansion in permit availability under the bill and may attend additional farmers' markets in Charles County if given the opportunity. According to the Comptroller's Office, a total of two winery special event permits were issued in Charles County in calendar 2011 (both to Golden Leaf Farm LLC).

The Comptroller will issue winery special event permits for farmers' markets in Charles County for a fee of \$25 per event. General fund revenues increase by \$25 for each winery special event permit granted in Charles County in excess of the maximum number of special event permits that can be granted to a single winery for use in Charles County under current law (three).

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Charles County, Maryland Department of Agriculture, Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - March 21, 2012
ncs/hlb

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