

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 1197
Economic Matters

(Delegate Hershey, *et al.*)

Queen Anne's 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 Queen Anne's County that is listed on the Farmers' Market Directory of the Maryland Department of Agriculture (MDA).

The bill takes effect July 1, 2013.

Fiscal Summary

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

Local Effect: None.

Small Business Effect: Potential meaningful impact for Class 4 Maryland limited wineries and for farmers' markets in Queen Anne's 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, Charles, Dorchester, and St. Mary's counties allow a winery special event permit to be issued for unlimited use for one day each week at a farmers' market, and 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, 337 winery special event permits were issued in fiscal 2012, which resulted in \$8,425 in general fund revenues due to collection of the \$25 permit issuance fee. There are currently four farmers' markets in Queen Anne's County listed in the MDA 2012 Farmers' Market Directory.

State Fiscal Effect: There are 61 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 Queen Anne's County if given the opportunity. According to the Comptroller's Office, only one winery special event permit was issued in Queen Anne's County in 2012.

The Comptroller will issue winery special event permits for farmers' markets in Queen Anne's County for a fee of \$25 that covers the whole year. Since only one permit was issued in Queen Anne's County in 2012, general fund revenues are not expected to decrease from allowing unlimited use of a permit, instead of requiring one permit per event for up to three events in the same political subdivision.

Additionally, general fund revenues increase by \$25 for each new winery special event permit granted in Queen Anne's County. The Comptroller advises that any additional permit activity under the bill can be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: SB 980 (Senator Pipkin) –Education, Health, and Environmental Affairs.

Information Source(s): Queen Anne’s County, Maryland Department of Agriculture,
Comptroller’s Office, Department of Legislative Services

Fiscal Note History: First Reader - February 21, 2013
mc/hlb

Analysis by: Heather N. Ruby

Direct Inquiries to:
(410) 946-5510
(301) 970-5510