

Department of Legislative Services  
Maryland General Assembly  
2015 Session

FISCAL AND POLICY NOTE

House Bill 92  
Economic Matters

(Montgomery County Delegation)  
Education, Health, and Environmental Affairs

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Montgomery County - Alcoholic Beverages - Wine Auction Permits  
MC 9-15

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This bill repeals a provision that prohibits the Office of the Comptroller from issuing a one day wine auction permit to a charitable organization for use in Montgomery County. Thus, the bill authorizes the Office of the Comptroller to issue such a permit for use in Montgomery County.

The bill also authorizes the holder of a wine auction permit in Montgomery County to receive and sell wine from the same sources as permit holders in other jurisdictions under current law.

The bill takes effect July 1, 2015.

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**Fiscal Summary**

**State Effect:** Any additional permit fee or tax revenue obtained through wine auction permits in Montgomery County is expected to be minimal. The Office of the Comptroller can handle any additional workload with existing resources.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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## Analysis

### Current Law:

#### *One-Day Charity Wine Auction Permits*

A one-day wine auction permit authorizes the holder to sell wine at a public or private auction to any consumer. The Office of the Comptroller is authorized to issue the permit only to a charitable organization; however, the permit may not be issued for use within Montgomery County. The permit fee is \$10.

A “charitable organization” is an organization that is benevolent, educational, philanthropic, humane, patriotic, religious, or eleemosynary organization that solicits or obtains contributions solicited from the public for charitable or benevolent purposes and that is registered with the Secretary of State.

The permit may be granted for (1) an unlicensed premises; (2) a Class B or Class C licensed premises; or (3) in Baltimore City, a Class B-D-7 licensed premises. A charitable organization is limited to only one permit in each calendar year, and a permit authorizes only one auction to be held.

Permit holders may obtain wine for auction from (1) a licensed wholesaler; (2) a licensed Class 3 or Class 4 winery; (3) a licensed retail dealer; (4) a private individual residing in the State; or (5) an unlicensed business entity that is located in the State. A permit holder may also receive wine that is not authorized for distribution and sale in the State from a nonresident private individual or a business entity that is located outside of the State.

#### *Alcoholic Beverage Sales in Montgomery County*

Generally, the liquor control board in each county has an absolute monopoly of the sale and distribution of any alcoholic beverage that is sparkling or fortified wine or any other alcoholic beverage it is authorized to sell. In Montgomery County, the liquor control board is the Department of Liquor Control, and it is authorized to sell any kind of alcoholic beverage. The county may sell alcoholic beverages through the use of a county liquor dispensary.

In Montgomery County, no person, firm, or corporation may keep for sale any alcoholic beverage not purchased from the Department of Liquor Control. Unless otherwise specified by law, no retailer may sell or deliver any alcoholic beverage in Montgomery County for resale except to a county liquor dispensary. A holder of a Class 6 limited wine wholesaler’s license or a nonresident winery permit may sell or deliver wine directly to a restaurant, county liquor dispensary, or other retail dealer in

Montgomery County, and a holder of a direct wine shipper's permit may ship wine directly to consumers in Montgomery County.

**Background:** No charity wine auction permits were issued in fiscal 2014. Seven charity wine auction permits were issued in fiscal 2013.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 2, 2015  
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