

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 370
Economic Matters

(Delegate Barkley)

Alcoholic Beverages - On-Premises Promotions and Product Sampling - Holders
of Manufacturer's Licenses

This bill authorizes any holder of a manufacturing license, not just a holder of a Class 4 limited winery license, to bring the products manufactured on its licensed premises onto a retail licensed premise under specified conditions for an individual to sample on the retailer's licensed premises.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: The Comptroller's Office incurs a one-time expenditure increase of \$38,200 in FY 2017 to change forms and make information technology programming changes. Any additional sales as a result of customers sampling the products does not materially affect general fund revenues from sales taxes.

Local Effect: None.

Small Business Effect: Minimal. Manufacturing license holders benefit by being able to promote and provide samples of their products on a retailer's licensed premises.

Analysis

Current Law: An individual may not consume an alcoholic beverage on a license holder's premises that is not purchased on the premises from the license holder and not otherwise authorized to be consumed on the premises. However, a Class 4 limited winery may bring

wine or pomace brandy manufactured on its licensed premises onto a retail licensed premises under specified conditions for promotion and product sampling.

Background: There were 230 manufacturing licenses issued in fiscal 2015 in the State.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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min/hlb

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