

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 550
Economic Matters

(Delegate Clippinger, *et al.*)
Education, Health, and Environmental Affairs

Distillery License Holders - Sale of Product to Participants in Guided Tours

This bill repeals the limitation that only a Class 1 distillery license holder that manufactures no more than 27,500 gallons of products annually is able to sell up to three 750-milliliter bottles of products manufactured on the licensed premises, for consumption off the licensed premises, and related merchandise, to persons of legal drinking age who participate in a guided tour of the licensed premises.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: None.

Small Business Effect: Minimal. Class 1 distillery license holders that manufacture more than 27,500 gallons of products annually benefit from being able to sell up to three 750-milliliter bottles of products and related merchandise to persons who participate in a guided tour of the licensed premises.

Analysis

Current Law: A Class 1 distillery license is issued by the Comptroller's Office and authorizes the establishment and operation of a plant for distilling brandy, rum, whiskey, alcohol, and neutral spirits. It also authorizes the sale and delivery of those alcoholic beverages, with specified restrictions. The annual license fee is \$2,000.

A Class 1 distillery license must be obtained for each trade name and for each distillery in the State. It permits a distiller to manufacture alcoholic beverages in the name of another person or under a trade name, provided that a distillery license has been issued to that other person or under that trade name, as the case may be. It also permits the license holder to (1) acquire bulk alcoholic beverages from the holder of distillery, rectifying, or winery license in the State or from the holder of a nonresident dealer's permit; (2) conduct guided tours; (3) serve samples; and (4) if the license holder manufactures no more than 27,500 gallons of products annually, sell up to three 750-milliliter bottles of products manufactured on the licensed premises, for consumption off the licensed premises, and related merchandise, to persons of legal drinking age who participate in a guided tour of the licensed premises.

Background: There are currently 14 Class 1 distillery licenses issued in the State.

Additional Information

Prior Introductions: None.

Cross File: SB 410 (Senator Ferguson, *et al.*) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 15, 2016
kb/hlb

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