

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 130 (Chair, Environment and Transportation Committee)(By
Request - Departmental - Agriculture)

Environment and Transportation Education, Health, and Environmental Affairs

Maryland Wine and Grape Promotion Fund

This departmental bill repeals provisions establishing, and relating to, the Maryland Wine and Grape Promotion Council and makes corresponding changes to the process for disbursement of funds from the Maryland Wine and Grape Promotion Fund. The corresponding changes (1) eliminate a requirement that the Board of Public Works (BPW) approve expenditures from the fund on recommendation from the council and (2) require the Governor's Advisory Commission on Maryland Wine and Grape Growing to recommend the allocation of funds from the Maryland Wine and Grape Promotion Fund to the Secretary of Agriculture for approval, rather than to the council.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: None. The bill is procedural in nature.

Local Effect: None.

Small Business Effect: The Maryland Department of Agriculture (MDA) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law: The Maryland Wine and Grape Promotion Council consists of the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Budget and

Management, or their designees. The Maryland Wine and Grape Promotion Fund exists to provide grants to nongovernmental organizations and to conduct other activities for the purpose of promoting (1) the production and consumption of Maryland wine in the State and (2) the production of grapes in the State. Pursuant to Chapter 282 of 2015, the fund receives alcoholic beverage tax revenues from wine produced in the State. On recommendation from the council, BPW must approve expenditures from the fund in the form of grants to nongovernmental organizations. Recommendation of grants to BPW for approval is the sole responsibility of the council.

The 10-member Governor's Advisory Commission on Maryland Wine and Grape Growing consists of Legislative and Executive Branch officials, industry representatives, and a representative of the College of Agriculture and Natural Resources at the University of Maryland, appointed to three-year terms by the Governor. Among other responsibilities, the commission must recommend to the Maryland Wine and Grape Promotion Council the allocation of funds from the Maryland Wine and Grape Promotion Fund to specified projects.

Background: MDA indicates that the bill is intended to streamline the process for the approval of grants from the Maryland Wine and Grape Promotion Fund.

BPW recently approved grants totaling \$85,000 to the Maryland Grape Growers Association for a vineyard capital assistance program and to the Maryland Wineries Association for an economic impact study, a speaker series, and rebranding/promoting the Maryland wine industry. Prior to the enactment of Chapter 282 of 2015, which directs alcoholic beverage tax revenue from Maryland-produced wine to the fund, money had not been allocated to the fund since fiscal 2008.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture; Department of Legislative Services

Fiscal Note History: First Reader - February 6, 2017
mm/lgc Third Reader - March 15, 2017

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Department of Agriculture – Maryland Wine and Grape Promotion Fund

BILL NUMBER: HB 130

PREPARED BY: Karen Fedor

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The bill should positively impact small businesses; the more efficient MDA can move through the grant approval process, the quicker MDA can allocate funds to assist the wine and grape industry.