

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 807
 Finance

(Senator Bailey)

Government, Labor, and Elections

Alcoholic Beverages - Class 8 Farm Brewery Licenses

This bill requires the licensed farm of a Class 8 farm brewery license holder to be (1) an agribusiness engaged in the production, showcasing, preparation, and sale of farm products, and (2) actively engaged in agritourism by exposing the public to farming and value-added farming practices. The bill establishes that the Executive Director of the Alcohol, Tobacco, and Cannabis Commission (ATCC) has exclusive regulatory authority over the operation of a Class 8 farm brewery. The bill also expands a Class 8 license holder’s authorization to sell and serve food; allows a license holder to hold and host public events related to agribusiness and agritourism; and specifies an exemption from zoning laws and regulations. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures for ATCC increase by \$196,700 in fiscal 2027, and by approximately \$250,000 annually thereafter, to hire additional staff, as discussed below.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
GF Revenue	-	-	-	-	-
GF Expenditure	\$196,700	\$236,500	\$245,700	\$255,100	\$264,500
Net Effect	(\$196,700)	(\$236,500)	(\$245,700)	(\$255,100)	(\$264,500)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not materially affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: The premises of a Class 8 farm brewery license is exempt from conforming to all zoning laws, regulations, or ordinances passed in accordance with Division I of the Land Use Article, if the Class 8 farm brewery license holder's license was first issued by July 1, 2015. The bill expands the authorization of a Class 8 farm brewery license holder to sell or serve any food to include the use of a licensed food truck or a licensed caterer; or the selling or serving of cottage industry food prepared on the farm under § 21-330.1 of the Health-General Article.

The bill authorizes a Class 8 farm brewery to host festivals, provide live music or other entertainment, or rent portions of the licensed farm to the public or private individuals or groups for functions or events, as specified.

The bill repeals the provision requiring the license holder who sells food to meet the same ratio of gross receipts between food and alcoholic beverages sales as a holder of a Class D beer and wine license.

The bill also specifies that except as provided in a local fire safety code, the Executive Director of ATCC may not limit the number of visitors on the licensed premises.

Current Law: In general, a Class 8 farm brewery license, which is issued by the Executive Director of ATCC at an annual license fee of \$200, authorizes the licensee to brew, bottle, or contract for up to 15,000 barrels of beer each year. However, that beer must be manufactured with an ingredient from a Maryland agricultural product, including hops, grain, and fruit, and produced on the licensed farm. The license holder may sell and deliver the beer to a licensed wholesaler or a person in another state authorized to acquire beer. In addition, a license holder may sell, for on-premises and off-premises consumption, beer produced by the licensee and may sell or serve food, as specified. A Class 8 farm brewery license may not be issued unless the licensed premises conforms with all zoning laws, regulations, and ordinances passed in accordance with Division I of the Land Use Article.

State Expenditures: General fund expenditures for ATCC increase by \$196,687 in fiscal 2027, which accounts for a 90-day start-up delay, and approximately \$250,000 annually thereafter. This estimate reflects the cost of hiring (1) one full-time environmental health specialist to perform health and safety inspections related to the operation of a farm brewery to ensure compliance with food safety, water quality, sewage disposal, and environmental sanitation regulations and (2) one full-time occupational safety and health compliance officer to inspect the farm brewery machinery and equipment and monitor compliance with regulations to ensure worker safety. ATCC indicates there are currently 37 Class 8 farm brewery licenses issued in the State.

The estimate also includes annual costs of \$50,000 associated with contractual services with a local or statewide health department to assist in health inspections of farm breweries and law enforcement agencies to assist with underage compliance checks. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	2.0
Salaries and Fringe Benefits	\$140,905
Contractual Services*	37,500
Operating Expenses	<u>18,282</u>
Total FY 2027 State Expenditures	\$196,687

(* fiscal 2027 assuming 90-day start-up delay)

Future year expenditures reflect full salaries with annual increases and employee turnover, as well as annual increases in ongoing operating expenses.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 1590 (Delegate Ziegler) - Rules and Executive Nominations.

Information Source(s): Anne Arundel and Baltimore counties; Alcohol, Tobacco, and Cannabis Commission; Maryland Department of Agriculture; Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2026
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