

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1050 (Carroll County Delegation)
Economic Matters

Carroll County - Alcoholic Beverages
(Micro-Brewery Licenses)

This bill permits micro-breweries to be located throughout Carroll County, instead of just in the 13th election district. The bill also establishes a distance restriction requirement for micro-breweries. There must be at least 300 feet between a micro-brewery and an elementary or secondary school and church or other place of worship. This requirement does not apply to any premises in existence on July 1, 1997.

The bill is effective July 1, 1997.

Fiscal Summary

State Effect: Assuming one new license, there would be a \$1,230 general fund revenue increase in FY 1998, and \$530 annually thereafter reflecting only the license fee and renewal fee.

Local Effect: None. It is assumed that an existing restaurant in Carroll County would receive the micro-brewery license.

Small Business Effect: Potential meaningful effect on small businesses as discussed below.

Fiscal Analysis

State Revenues: Currently, a micro-brewery license can be issued in the 13th election district of Carroll County. The bill allows micro-breweries to be located throughout the county. It is expected that one additional micro-brewery license would be issued annually in the county. This license would generate an annual license fee of \$500, an initial issuance fee of \$200, and a renewal fee of \$30. Fiscal Services expects the first license to be issued in

fiscal 1998. Because licenses are renewable May 1 annually, the State would collect two license fees in fiscal 1998. As a result, general fund revenues would increase by \$1,230 in fiscal 1998 due to the two license fees, the issuance fees, and the renewal fee. Future-year revenues would increase by \$530 annually reflecting the annual license fee and renewal fee.

Small Business Effect: Currently, there are eight micro-breweries operating in Maryland. Based on 1995 figures, this industry generated between \$6 million and \$8 million in revenues, including the restaurant businesses. According to the Comptroller's Office, micro-breweries produced approximately 211,000 gallons of beer in 1995 and 276,000 gallons in 1996. Under the bill, the Comptroller can issue a micro-brewery license throughout Carroll County, and not just in the 13th election district. It is expected that only one restaurant would seek such a license, and its operations would be impacted favorably. If other small businesses seek such licenses, their operations would be similarly affected.

Micro-breweries could also be impacted by the distance restriction requirement. It could make it more difficult for a micro-brewery to find a suitable location in the county.

Information Source(s): Office of the Comptroller, Carroll County, Department of Fiscal Services

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