

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Joint Resolution 4 (Senator Bromwell, *et al.*)
Finance

Referred to Economic Matters

Task Force on the Maryland Wine Industry

This amended joint resolution requests the Governor to establish a 12-member Task Force on the Maryland Wine Industry to study the impact of the wine industry on the State. The task force should develop recommendations to establish programs within the Department of Business and Economic Development (DBED) and the Maryland Department of Agriculture (MDA) to promote the health and growth of the industry. Public notice of meetings must be provided.

The task force is to be staffed by DBED and MDA, and must report to the Governor and General Assembly by December 1, 1997.

Fiscal Summary

State Effect: Compliance with this joint resolution would not affect State finances as discussed below.

Local Effect: None.

Small Business Effect: Compliance with this joint resolution could have a potential meaningful impact on small businesses as discussed below.

Fiscal Analysis

State Expenditures: Task force members would be reimbursed for expenses under the standard State travel regulations. Any such expenditures would depend upon the time, location, and frequency of the task force's meetings. Expenses are assumed to be minimal and absorbable within existing agency resources.

DBED reports that staffing the task force would not require any additional expenditures.

MDA, however, reports that staffing responsibilities will cost approximately \$2,500 for personnel time, travel, and miscellaneous items such as photocopying. The Department of Fiscal Services (DFS) advises that since existing personnel will be used, this should not affect overall expenditures. Some minimal additions costs could be incurred due to travel and photocopying; this would depend upon the level of activity necessary and could presumably be absorbed within the existing budget.

Small Business Effect: This joint resolution requests the establishment of a task force to study the impact of the wine industry on Maryland and to formulate recommendations on ways to promote the industry. Should such a task force be formed, and recommendations be made and adopted, small businesses in the wine industry could be positively impacted. For instance, should a financing program to serve the needs of the wine industry be established in DBED, these businesses could benefit substantially.

There are nine licensed wineries in Maryland, all of which are small businesses. These wineries produce 65,000 to 75,000 gallons of wine per year. This results in total bottles in excess of 300,000, and sales of approximately \$1.8 million. Any growth in wineries could also promote growth in vineyards; while wineries grow many of their own grapes, they also purchase a substantial number from outside growers. There are approximately 109 acres of land in Maryland currently dedicated to vineyards. Depending upon the variety of grape produced, prices range from \$500 to \$1,500 per ton of grapes.

Information Source(s): Maryland Department of Agriculture, Association of Maryland Wineries, Maryland Winery and Grape Growers Advisory Board, Department of Business and Economic Development, Department of Fiscal Services

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