

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 555 (Senator Craig, *et al.*)
Economic and Environmental Affairs

Harford County - Alcoholic Beverages
(Micro-Brewery Licenses)

This bill includes Harford County among the jurisdictions in which the Comptroller may issue a Class 7 micro-brewery license. A holder may sell at retail beer brewed under this license to customers for off-premises consumption in refillable containers that are sealed by the licensee at the time of each refill.

Fiscal Summary

State Effect: \$1,230 general fund revenue increase in FY 1998. Out-year revenues reflect only the license fee and renewal fee.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	\$1,230	\$530	\$530	\$530	\$530
GF Expenditures	0	0	0	0	0
Net Effect	\$1,230	\$530	\$530	\$530	\$530

Note: () - decrease; GF - general funds

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

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

Fiscal Analysis

State Revenues: It is expected that one micro-brewery license would be issued annually in Harford 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 fee, 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 in Harford County. It is expected that only one restaurant in the county would seek such a license, and its operations would be impacted favorably. If other small businesses seek a micro-brewery license, their operations would be similarly affected.

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

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