

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 438 (Senator Hafer)

Economic and Environmental Affairs

Referred to Economic Matters

Garrett County - Alcoholic Beverages (Class A and A2 Winery Licenses)

This amended bill creates a Class A2 light wine (on- and off-sale) license in Garrett County. To qualify, an applicant must be a holder of a Class 3 winery manufacturer's license or a Class 4 limited winery manufacturer's license. A holder of a Class A2 license may sell at retail the wine produced or bottled on the premises (1) for off-premises consumption only; and (2) by the drink in a restaurant owned and operated by the holder of the winery license that is adjacent to the premises. The bill also adds Garrett County to the jurisdictions in which a Class A light wine license may be issued.

Fiscal Summary

State Effect: None.

Local Effect: Garrett County revenues would increase by \$300 for each Class A2 license issued and by \$100 for each Class A license issued in FY 1998. No effect on expenditures.

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

Fiscal Analysis

Local Revenues: Garrett County expects to issue one Class A2 winery license, beginning in fiscal 1998. The license would generate \$300 due to the license fee (\$150) and one-time issuance fee (\$150). Out-year revenues would increase by \$150 annually reflecting only the license fee. Garrett County revenues would also increase by \$100 in fiscal 1998 for each Class A light wine license issued, reflecting the license fee of \$50 and the issuance fee of \$50. Out-year revenues would increase by \$50 annually reflecting only the license fee.

Small Business Effect: Garrett County expects to issue one Class A2 winery license annually. It is likely that the license would be issued to a small business. As a result, the small business could benefit through more exposure of its products at its adjacent restaurant. Although the benefit cannot be determined, it could be meaningful.

The bill allows a Class A light wine license to be issued to a holder of a Class 4 manufacturer's license or a Class 3 manufacturer's license, who makes wine from agricultural products grown in Maryland. Class 3 or 4 licensees that receive a Class A light wine license could benefit from the sale of light wines; other small businesses that currently sell wine and light wines in the county will face increased competition from the new Class A2 and Class A licensees.

Information Source(s): Garrett County, Department of Fiscal Services

Fiscal Note History: First Reader - February 17, 1997

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