

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1203 (Delegate Harkins)

Economic Matters

Alcoholic Beverages - Pub-Brewery Licenses

This bill repeals an exemption from current law which limits a Class 6 pub-brewery licensee to one manufacturers license. Under the bill, additional licenses may be issued to different persons or under trade names used by persons occupying a part or all of the same premises.

Fiscal Summary

State Effect: Potential minimal general fund revenue increase. No effect on expenditures.

Local Effect: Potential minimal revenue increase for local governments. No effect on expenditures.

Small Business Effect: Potential meaningful impact on small businesses.

Fiscal Analysis

State Revenues: The number of additional manufacturers licenses issued to Class 6 licensees cannot be reliably estimated. However, each new license would generate an annual license fee of \$500, an initial issuance fee of \$200, and a renewal fee of \$30.

Local Revenues: To the extent that the ability to obtain additional manufacturers licenses encourages existing pub-breweries to expand, or other alcoholic beverage licensees to apply for a pub-brewery license, local revenues could increase due to additional license fees. The alcoholic beverage license fees for pub-breweries varies by jurisdiction.

Small Business Effect: Currently, there are three Class 6 pub-breweries operating in Maryland. The pub and micro-brewery industry generates between \$10 million and \$15 million in revenues annually, including the restaurant business. According to the

Comptroller's Office, pub and micro-breweries produced approximately 276,000 gallons of beer in fiscal 1996 and 383,200 in fiscal 1997. Under this bill, a Class 6 pub-brewery could receive one or more additional manufacturers licenses. As a result, pub-breweries that get additional manufacturers licenses would be impacted meaningfully through additional revenues depending upon the scope of their operations.

Information Source(s): Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 1998

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