

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

House Bill 414 (Chairman Economic Matters Committee)
(Departmental - Comptroller)

Economic Matters

**Alcoholic Beverages - Permits - Limited Winery License and Restrictions Upon
Retail Dealers**

This departmental bill establishes a winery special event license available to holders of a Class 4 limited winery license and expands the scope of benefits available to a Class 4 licensee.

Fiscal Summary

State Effect: General fund revenues could increase by up to \$3,300 annually due to the licensing fee for a winery special event license.

Local Effect: None.

Small Business Effect: The Office of the Comptroller has determined that this bill has a meaningful impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill).

Analysis

Bill Summary: The bill establishes a winery special event permit available to holders of a Class 4 limited winery license from the Office of the Comptroller, no more than 12 of which may be issued to any one license holder in any given year. The permit, which costs \$25 and is good for up to three consecutive days, may be issued for an event organized and conducted by a non-profit organization or government entity and in which the sale and promotion of alcoholic beverages is a subordinate activity. At the event, the holder of the permit may

provide samples of wine or sell glasses of wine for on-site consumption or bottles of wine for off-site consumption. A limited winery may not receive more than one permit per year for use in the same political subdivision. Permit applications must be filed no less than 15 days prior to the event.

The bill also expands the scope of a Class 4 winery license, allowing licensees to sell their wine by the glass to persons participating in a guided tour or attending a promotional event at the winery. The license holder may also store on its licensed premises, in a segregated area, the product of another Class 4 winery licensee to be used at a Maryland Winery Association promotional event. In conjunction with a legitimate promotional activity and with the written permission of the retail licensee, a Class 4 licensee may sell its products at the premises of a retail alcoholic beverages licensee. A representative of the winery or a trade association representing Maryland wineries must be present at all times during the promotional event, and any unopened or partially consumed containers must be removed from the licensed premises once the event is over.

Current Law: There is no winery special event license. Class 4 limited winery licensees may sell wine to retail alcoholic beverage licensees. At guided tours of the winery, licensees may sell up to one quart of each brand of wine per person or provide free samples of their wine. Current law does not permit Class 4 licensees to store wine made at other wineries. A retail licensee may not permit on their premises the consumption of alcoholic beverages purchased from another licensee, and therefore Class 4 licensees may not sell or promote their products on the premises of a retail licensee.

Background: The 11 licensed Class 4 limited wineries in Maryland are Basignani Winery, Ltd.; Berrywine Plantations, Inc.; Boordy Vineyards, Inc.; Catoctin Vineyards, Inc.; Cygnus Wine Cellars; Deep Creek Cellars, Inc.; Elk Run Vineyard, Inc.; Fiore Winery, Inc.; Loew Vineyards, Inc.; Penn Oaks Winery; and Woodhall Vineyards Wine Cellars, Inc.

State Revenues: There are currently 11 Class 4 limited winery licensees in the State. If all 11 were to purchase the 12 \$25 special event licenses that would be permitted, the Office of the Comptroller would collect \$3,300 annually in new revenues.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Comptroller (Alcohol and Tobacco Tax Division),

Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2000
drg/jr Revised - House Third Reader - March 21, 2000

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