

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

House Bill 915
Economic Matters

(Delegate Walkup, *et al.*)

Kent County - Special Maryland Wine License Privilege

This bill authorizes the Kent County Board of License Commissioners to issue a special Maryland wine license privilege to a holder of a Class B (on-sale) beer and wine license or a Class B (on-sale) beer, wine, and liquor license for use on a premises that qualifies as a restaurant. The special Maryland wine license privilege authorizes the licensee to sell bottled wine from a Class 4 winery for off-sale consumption and exempts the sale of the bottled wine from counting against the minimum requirement that 60% of the average daily receipts of the Class B alcoholic beverages licensee be food sales. The annual license privilege fee is \$100.

The bill is effective June 1, 2003.

Fiscal Summary

State Effect: None.

Local Effect: Kent County revenues would increase by \$100 for each special Maryland wine license privilege issued. County expenditures would not be affected.

Small Business Effect: Minimal. Small business restaurants in Kent County that are holders of a Class B (on-sale) beer and wine license or a Class B (on-sale) beer, wine, and liquor license would be positively impacted due to the ability to sell bottles of wine from Class 4 wineries to its customers. Class 4 Maryland wineries would be positively impacted due to additional venues of sale for their products.

Analysis

Current Law: Generally, Class B beer and wine licensees and Class B beer, wine, and liquor licensees are authorized to keep for sale and sell at retail any alcoholic beverages that they are licensed to sell on the licensed premises or elsewhere as authorized by the local board of license commissioners. However, most jurisdictions in Maryland expressly prohibit Class B beer and wine licensees and Class B beer, wine, and liquor licensees from selling alcoholic beverages for off-premise consumption.

There is no provision of law authorizing the Kent County Board of License Commissioners to issue a license privilege similar to the proposed Kent County special Maryland wine license privilege that would permit the sale of bottles of wine of Class 4 wineries for off-premise consumption. Additionally, no other jurisdiction offers a similar privilege to its licensees.

Background: According to the Comptroller of Maryland, as of April 30, 2002 in Kent County there are 7 Class B (on-sale) beer and wine licensees and 23 Class B (on-sale) beer, wine, and liquor licensees. All 30 of these licensees would be eligible to obtain a special Maryland wine license. It is currently unknown how many Class B (on-sale) beer and wine licensees and Class B (on-sale) beer, wine, and liquor licensees would obtain a special Maryland wine license.

A Class 4 Maryland winery is authorized to ferment and bottle wine made from Maryland agricultural products and permits the winery to sell and deliver wine made at the licensee's location to any licensee or permit holder in Maryland.

Additional Information

Prior Introductions: None.

Cross File: SB 486 (Senator Pipkin) – Education, Health, and Environmental Affairs. Although not designated as a cross file, HB 430 is exactly the same as HB 915 and SB 486.

Information Source(s): Kent County, Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2003
ncs/hlb

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