

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 431

(Delegate Sossi, *et al.*)

Economic Matters

Education, Health, and Environmental Affairs

Calvert County, Queen Anne's County, and St. Mary's County - Alcoholic
Beverages - Class A Light Wine License

This bill authorizes the boards of license commissioners in Calvert, Queen Anne's, and St. Mary's counties to issue a Class A light wine license to a holder of a Class 4 manufacturer's limited winery license. The annual license fee is \$50.

The bill takes effect June 1, 2004.

Fiscal Summary

State Effect: None.

Local Effect: County revenues would increase by \$50 for each Class A light wine license issued in Calvert, Queen Anne's, and St. Mary's counties. Currently, there are no Class 4 manufacturer's limited winery licensees in Calvert, Queen Anne's, or St. Mary's counties.

Small Business Effect: Minimal.

Analysis

Current Law: The boards of license commissioners in Calvert, Queen Anne's, and St. Mary's counties are not authorized to issue a Class A light wine license to the holder of a Class 4 manufacturer's limited winery license located in their respective counties.

The boards of license commissioners in Baltimore, Carroll, Dorchester, Frederick, Garrett, Harford, Montgomery, Somerset, Talbot, and Washington counties are

authorized to issue a Class A light wine license to a holder of a Class 4 manufacturer's limited winery license. The annual license fee is \$50 in every county, except Montgomery County where the annual fee is \$100. In Garrett County there is an issuance fee of \$50 in addition to the annual license fee.

Background: As of January 2004, there are 12 Class 4 manufacturer's limited winery licensees in Maryland. Currently, there are no Class 4 manufacturer's limited winery licensees in Calvert, Queen Anne's, or St. Mary's counties.

Generally, it takes a minimum of three years to start a winery and develop the resources for making wine that is ready to be consumed. Calvert County advises that one individual has expressed interest in starting a winery operation in the county. Queen Anne's County advises that one winery has begun operations in the county. St. Mary's County advises that one winery has begun operations in the county.

The Comptroller's Office advises that wineries may begin operations without holding any type of winery license. The Comptroller's Office further advises that, although wineries must hold a winery license to sell their wine, wineries are not required to hold a winery license to grow and sell grapes that are used in the production of wine.

The Association of Maryland Wineries advises that grape plants are very adaptable to weather and growing conditions. The association further advises that former tobacco farmers in Maryland who accepted the terms of the State's tobacco buyout program are prohibited from growing tobacco; many of these farmers are now considering growing grapes as a new crop.

Additional Information

Prior Introductions: None.

Cross File: SB 522 (Senator Pipkin) – Education, Health, and Environmental Affairs.

Information Source(s): Association of Maryland Wineries, Queen Anne's County, Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2004
mll/ljm Revised - Enrolled Bill - May 6, 2004

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