

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 120
Economic Matters

(St. Mary's County Delegation)

St. Mary's County - Alcoholic Beverages - Importation of Bulk Wine

This bill authorizes a holder of a Class 4 manufacturer's license (limited winery) in St. Mary's County to import bulk wine from a holder of a Class 3 manufacturer's license (winery), Class 4 manufacturer's license, or nonresident dealer's permit. For the first five years, the holder of the license may only import up to 12,000 gallons of bulk wine per year. Each year thereafter, the holder may import up to 25% of the holder's total wine production for the previous year. The bill is not applicable to a holder of a Class 4 license who received its license before January 1, 2000.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: None.

Local Effect: Monitoring compliance with the bill could be handled with existing resources. County revenues would not be affected.

Small Business Effect: Potential minimal.

Analysis

Current Law: Holders of a Class 3 license are authorized to import bulk wine from a holder of a nonresident dealer's permit. Holders of a Class 4 license, however, are not authorized to import bulk wine, either from a nonresident dealer or from another Maryland winery.

Background: There are currently 16 holders of a Class 4 license statewide, with one in St. Mary's County; there are no holders of a Class 3 license in Maryland. In fiscal 2004, the Comptroller's Office issued 947 nonresident dealer permits.

Small Business Effect: Revenues for limited wineries in St. Mary's County could increase to the extent that they import and sell bulk wine from other Maryland wineries or nonresident dealers. Allowing a new winery to import bulk wine from other wineries could allow the business to receive income while its vineyards are being cultivated. Allowing importation could possibly be a safeguard for the winery if devastating weather or other crisis damages the grape harvest. Additionally, the bill would allow nonresident dealers and other licensed wineries in Maryland to sell their product to limited wineries in St. Mary's County.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): St. Mary's County, Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2005
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