

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 161
Economic Matters

(Delegate Cane, *et al.*)
Education, Health, and Environmental Affairs

Wicomico County - Alcoholic Beverages - Wine Tasting and Sampling

This bill authorizes the Wicomico County Liquor Control Board to conduct wine tasting and sampling promotional events in county liquor dispensaries, under specified circumstances.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: None.

Local Effect: Potential minimal increase in profits at the Wicomico County dispensaries due to promoting wine at tasting and sampling events. Expenditures would not be affected.

Small Business Effect: Potential increase in revenue for wineries who promote their products at the wine tasting and sampling events. There are currently 16 licensed wineries in Maryland.

Analysis

Current Law: The Wicomico County Board of License Commissioners is authorized to issue a wine tasting (WT) license to a Class A beer and wine (off-sale) licensee. Wine tasting and sampling events conducted by holders of these special licenses may be held under specified restrictions. The liquor control board, however, is not currently authorized to conduct similar events in its dispensaries.

Background: In general, most Maryland jurisdictions permit the sale of alcoholic beverages through a three-tier system in which retail alcoholic beverage licensees purchase alcoholic beverages from licensed Maryland wholesalers who purchase alcoholic beverages from licensed manufacturers and import companies. In Montgomery, Somerset, Wicomico, and Worcester counties, however, the counties operate dispensary systems through which they act as the wholesalers for retail alcoholic beverage licensees in their respective districts.

In fiscal 2004, the Wicomico County Liquor Control Board operated two stores with net profits of \$384,989. The county advises that it has begun selling high-end wine in its dispensaries and would use the wine tasting and sampling events to showcase these wines.

Local Fiscal Effect: Wicomico County advises that wine producers will come to the wine tasting and sampling events at the dispensaries and provide a bottle of wine for tasting and sampling as a promotional event, free of charge. Promoting wine at these events, however, could potentially lead to higher wine sales at the county dispensaries, thus increasing the amount of net profits remitted to the county.

Additional Information

Prior Introductions: None.

Cross File: SB 571 (Senator Colburn) – Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 28, 2005
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