

Department of Legislative Services  
Maryland General Assembly  
2005 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 439

(Montgomery County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

---

Montgomery County - Wine Festival  
MC 504-05

---

This bill authorizes Montgomery County to conduct the Montgomery County Wine Festival through a well-experienced nonprofit “festival organization” to be selected by the county.

The bill takes effect June 1, 2005.

---

**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Assuming four, two-day festivals, Montgomery County expenditures could increase by \$21,120 annually for police and fire services. Montgomery County revenues could increase by \$4,800 annually for license fees, as well as by an indeterminate portion of profit from individual vendors.

**Small Business Effect:** Minimal overall. Small businesses, however, could be positively impacted by promoting their products at wine festivals in Montgomery County.

---

**Analysis**

**Bill Summary:** The festival is to be held no more than four weekends per year, and is to be conducted under the supervision of the Montgomery County Department of Liquor Control. The festival organization may only contract with holders of a State Class 3 manufacturer’s license (winery), holders of a State Class 4 manufacturer’s license (limited winery), and Montgomery County retail alcoholic beverage licensees.

Additionally, in order for a person to sell or display wine at the festival, the person must contract with the festival organization and obtain a special festival license from the Montgomery County Board of License Commissioners for a daily fee of \$30. License fees are to be deposited into the county's general fund. Applicants or licensees who violate provisions in the bill or any regulations established by the Montgomery County Board of License Commissioners may be denied a special festival license, have their special festival license suspended or revoked, or are subject to a fine of up to \$20,000.

**Background:** A number of beer and wine festivals are held annually throughout the State. While they are not numerous, they are seen as advertising and publicity events for businesses participating in the festival. Beer and wine festival licenses may be issued in Allegany, Anne Arundel, Charles, Dorchester, Queen Anne's, and Worcester counties. In addition to beer and wine festivals, special wine festival licenses may be issued in Baltimore, Calvert, Carroll, Garrett, Harford, Howard, St. Mary's, Somerset, Washington, and Wicomico counties, as well as Baltimore City. A special beer festival license may be obtained in Baltimore City, Baltimore, Frederick, and Wicomico counties. Furthermore, Washington County is the only county required to conduct its wine festival through a nonprofit organization.

**Local Fiscal Effect:** Montgomery County revenues and expenditures are expected to increase. The county advises that it would cost \$840 per day in personnel overtime expenditures for two additional firefighters to cover the event, based on a 12-hour day. Assuming a two-day festival, the cost for having additional firefighters on site for the event would be \$1,680. Additionally, the county advises that it would cost \$3,600 per event for police coverage, assuming 10 officers per event and eight hours of overtime at \$45 per hour for each police officer. Assuming four, two-day festivals, Montgomery County expenditures could increase by \$21,120 annually for police and fire services provided for the festival.

Revenues from license fees are expected to increase minimally. Given the \$30 per day license fee for each vendor and assuming a participation rate of 20 vendors for each festival (as advised by the county), license fee revenues would increase by \$600 for each day the festival lasts. The county also advises that it will receive a certain percentage, yet to be determined, of the profit that individual vendors make at the festival. This additional revenue would go to pay for the extra public services the county provides for the festival, such as police, fire, and trash service.

Additionally, the bill has a provision which would allow the county to impose a fine of up to \$20,000 if the applicant or licensee violates regulations or laws that pertain to the festival. These fine revenues are expected to be minimal, but would go to the Montgomery County general fund.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 3, 2005  
mam/ljm Revised - House Third Reader - March 29, 2005

---

Analysis by: Joshua A. Watters

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510