

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 774
Economic Matters

(Delegate V. Clagett)

Alcoholic Beverages - Winery Special Event Permits

This bill increases, from 12 to 15, the number of winery special event permits that may be issued by the Comptroller's Office to a holder of a Class 4 manufacturer's (limited winery) license in any calendar year. Of these permits, no more than five may be issued in any calendar year to any given limited winery for use in the same political subdivision. The bill also increases the number of 750 ml bottles of wine that may be sold to a consumer at any given event or festival for off-premises consumption from 4 to 12.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: Annual permit fee revenues could increase by \$75 from the issuance of three additional winery special event permits. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: The Comptroller's Office is authorized to issue up to 12 winery special event permits to a holder of a Class 4 manufacturer's (limited winery) license in any given calendar year. The permit may not exceed three consecutive days and no more than three permits are to be issued in any calendar year to any given limited winery for use in the same political subdivision.

The permit may only be issued for an event which (1) has as its major purpose an activity other than the sale and promotion of alcoholic beverages and for which the participation of the winery is a subordinate activity; (2) is approved by the Maryland Department of Agriculture and the Comptroller's Office; and (3) is held on a nonlicensed premises or a premises on which a person may obtain a temporary alcoholic beverages license.

A permit authorizes the holder to (1) provide samples not to exceed one fluid ounce per brand to consumers; (2) sell no more than four 750 ml bottles of wine to a consumer at a given event or festival for off-premises consumption; and (3) sell by the glass, wine produced by the licensee to persons participating in any event or festival and for on-premises consumption.

The fee for a winery special event permit is \$25 per event.

Background: In its *Alcohol and Tobacco Tax Annual Report*, the Comptroller's Office reports that there were 20 Class 4 manufacturer's licenses and 15 winery special event permits issued in fiscal 2005.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office, Anne Arundel County, Baltimore County, Garrett County, Montgomery County, Prince George's County, Department of Legislative Services

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ncs/hlb

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