

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 226
Economic Matters

(Howard County Delegation)

Education, Health, and Environmental
Affairs

Howard County - Alcoholic Beverages - Class A Light Wine Licenses
Ho. Co. 06-06

This bill allows a Class A light wine license to be issued in Howard County.

The bill takes effect June 1, 2006.

Fiscal Summary

State Effect: None.

Local Effect: Minimal effect on Howard County revenues. Local expenditures would not be affected.

Small Business Effect: Overall minimal. Potentially meaningful for start-up wineries.

Analysis

Current Law: Light wine is defined as a fermented beverage that does not contain more than 15.5% alcohol by volume, except in a number of counties where the limit is 22%, and Harford County where the limit is 23%. A Class A light wine license may be issued by the applicable county licensing authority to a Class 4 manufacturer's license holder and in specified counties, a Class 3 manufacturer's license holder.

The Class A light wine license generally authorizes the license holder to keep for sale and to sell light wines produced at the winery of the holder in any quantity, and to any consumer, on the premises described in the license. The light wine must be packaged and

cannot be opened or consumed on the licensed premises. Unless statutorily specified, a Class A light wine license fee is \$50.

A Class 4 manufacturer's license is a limited winery license that authorizes the license holder to establish and operate a winery producing wine and pomace brandy generally from Maryland agriculture products. The license holder generally may sell wine on the winery premises to individuals who have participated in a guided tour.

Sixteen counties are currently authorized to issue Class A light wine licenses. Baltimore City and Garrett County are authorized to issue Class A2 light wine licenses, allowing wine to be sold from the winery either packaged or for consumption at a restaurant owned and operated by the license holder and adjacent to the winery.

Local Fiscal Effect: The bill's changes would have a minimal effect on Howard County revenues. There are currently no Class 4 manufacturer's licensees (wineries) in Howard County (there are only 22 in the State). The county would generate fee revenue of \$50 from each applicant for a Class A light wine license. Any additional monitoring and enforcement related to licensees could be handled with existing resources.

Small Business Effect: The bill's changes could provide incentive and make it easier to start a winery business in Howard County. The bulk of a smaller winery's sales often results from onsite sales or limited distribution by the winery itself (only four wineries in Maryland have distributors). The ability to sell wine onsite, regardless of whether customers had taken a guided tour, likely would have a meaningful impact on the success of a start-up winery business, and would continue to be important to the success of the business as the winery grew.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 2, 2006
ncs/hlb

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