

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 703

(Delegates Malone and DeBoy)

Economic Matters

Education, Health, and Environmental Affairs

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Alcoholic Beverages - Special Brewery Promotional Event Permit

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This bill establishes a Special Brewery Promotional Event Permit for a holder of a Class 5 manufacturer's license. A Class 5 manufacturer may not receive more than four permits in a calendar year and each single promotional event may not exceed three days. To obtain a permit, a person must file an application with the Comptroller's Office at least 15 days before the event. The permit authorizes the holder to provide samples of beer produced by the permit holder. Samples provided to a consumer may not be more than two ounces per brand. A permit holder is also authorized to sell beer produced by the brewer by the glass at a promotional event held on the premises of the brewery. The permit fee is \$25 per event.

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Fiscal Summary

**State Effect:** General fund revenues could increase by a minimal amount. Expenditures would not be affected.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful for Class 5 beer manufacturers.

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Analysis

**Current Law:** There is no permit that authorizes a special promotional event at a brewery. The Comptroller's Office is authorized to issue up to 12 winery special event permits to a holder of a Class 4 manufacturer's (Maryland limited winery) license in any given calendar year. A permit may not exceed three consecutive days and no more than

three winery special event permits may be issued to any limited winery for use in the same political subdivision during a calendar year.

A winery special event permit authorizes the permit holder to provide one-ounce samples, sell wine by the glass for on-premises consumption, and sell no more than four 750 ml bottles of wine to a consumer for off-premises consumption. The fee for a winery special event permit is \$25 per event.

**State Revenues:** There are currently four Class 5 manufacturers operating in the State. If one of these breweries were to obtain the maximum number of allowed permits (4), general fund revenues would increase by \$100 annually. Issuance of each special event permit may also result in the generation of additional alcoholic beverages taxes as a result of additional beer consumed at special promotional events. The amount of additional taxes received cannot be estimated at this time, but is not expected to be significant. Any cost associated with the development and issuance of this new license could be handled by the Comptroller's Office with existing budgeted resources.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 15, 2008  
mcp/hlb Revised - House Third Reader - March 14, 2008

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