

Department of Legislative Services  
Maryland General Assembly  
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 880 (Senator Dyson)  
Education, Health, and Environmental Affairs

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St. Mary's County - Alcoholic Beverages - Winery License

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This bill authorizes the St. Mary's County Board of License Commissioners to issue a Class W winery license to certain holders of Class 4 manufacturer's licenses. The bill specifies the privileges conferred by the Class W winery license and establishes a maximum annual license fee of \$200.

The bill takes effect July 1, 2009.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Minimal revenue increase for St. Mary's County due to the Class W winery license fee. County expenditures are not affected.

**Small Business Effect:** Potential meaningful positive impact for new Class W winery licensees.

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Analysis

**Bill Summary:** The St. Mary's County Board of License Commissioners may issue a Class W winery license to a licensee who:

- holds a Class 4 manufacturer's license; and
- has been a resident of the State for at least two years immediately before the filing of an application for the Class W winery license.

The Class W winery license authorizes the holder to:

- provide samples of wine and other products produced by the licensee at no charge;
- sell wine and other products produced by the licensee for consumption on or off the premises;
- hold public and private events on the premises identified in the license;
- sell and serve food incidental to the sampling of wine; and
- maintain tables, chairs, and other appropriate indoor and outdoor furnishings to enable patrons to consume wine and food.

A Class W winery license is a seven-day license and is exempt from any quota established as to the number of licenses in the election district where the Class W winery is to be located. A holder of the license may locate the operation:

- on the premises for which the Class 4 manufacturer's license was issued;
- at the same address as another Class W winery license; or
- at another location that the board approves.

Sales for holders of Class W winery licenses are allowed: (1) Monday through Saturday from 10 a.m. through 1:45 a.m. the following day; and (2) Sunday from 10 a.m. through midnight. If Christmas Eve or New Year's Eve is on a Sunday, sales are allowed from 10 a.m. to 2 a.m. the following day.

The bill specifies that a holder of a Class 4 license who holds a Class A light wine license issued by the St. Mary's County Board of License Commissioners may surrender the Class A license and, in exchange, be issued a Class W winery license at no charge.

**Current Law:** Class 4 manufacturer's licenses are issued by the State. There are currently 34 holders of Class 4 manufacturer's licenses in Maryland. A holder of a Class 4 manufacturer's license may sell limited and specified quantities of wine made at the facility to persons of legal drinking age participating in a guided tour of the facility. A licensee may serve at no charge not more than six ounces of wine made at the facility to a person who is participating in a guided tour.

A Class A light wine license is issued by the county licensing authority and may be issued to any holder of a Class 4 manufacturer's license. The license authorizes the holder to keep for sale and to sell light wines produced at the winery in any quantity to any consumer at retail at the place described in the license.

**Local Revenues:** St. Mary's County expects one winery to open in the county in the next year and advises that a second may likewise be opening sometime soon. Without this legislation, it is likely that the wineries would pursue Class A light wine licenses at a cost of \$50 per license. Assuming the maximum \$200 fee is established for the Class W winery license, county revenues increase by \$150 for each winery that opens in the county and receives the new license.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** St. Mary's County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 11, 2009  
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