

Department of Legislative Services  
Maryland General Assembly  
2009 Session

FISCAL AND POLICY NOTE

House Bill 351 (Washington County Delegation)  
Economic Matters

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Washington County - Alcoholic Beverages - Winery License

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This bill authorizes the Washington County Board of License Commissioners to issue a Class W winery license to certain holders of a Class 4 manufacturer's license. The bill specifies the privileges conferred by the Class W winery license and establishes a maximum annual license fee of \$150.

The bill takes effect July 1, 2009.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Washington County revenues may increase by \$450 in FY 2010 due to license and application fees paid by one potential Class W winery licensee. Future revenue increases depend on the total number of Class W licensees. County expenditures are not affected.

**Small Business Effect:** Potential meaningful for a new Class W winery licensee.

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Analysis

**Bill Summary:** The Washington 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 a Class W winery license 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.

**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, no 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 Fiscal Effect:** Washington County advises that it knows of one potential Class W winery licensee that is interested in obtaining the license. However, the county does not know if the potential licensee has started manufacturing wine at this time. The number of future licensees in the county cannot be reliably determined at this time.

Assuming one Class W winery license is issued, county revenues will increase by \$450 in fiscal 2010, which reflects the \$150 annual license fee and a \$300 application fee.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 19, 2009  
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