

**Department of Legislative Services**  
Maryland General Assembly  
2009 Session

## FISCAL AND POLICY NOTE

## House Bill 1351 (Delegate Sossi, *et al.*) Economic Matters

## Queen Anne's County - Alcoholic Beverages - Winery License

This bill authorizes the Queen Anne'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.

## Fiscal Summary

**State Effect:** None.

**Local Effect:** Potential minimal increase in Queen Anne's County revenues from license fees. County expenditures are not affected.

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

## Analysis

**Bill Summary:** The Queen Anne'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 Queen Anne's County Board of License Commissioners may surrender the Class A license and, in exchange, be issued a Class W winery license with the same expiration date 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, 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:** Queen Anne's County advises that it has three Class A light wine licensees and that all three possess Class 4 manufacturer's licenses. While the bill permits a current Class A light wine licensee to exchange his/her current license for a winery license free of charge, the annual fee for a Class A light wine license is \$50. Thus, county revenues increase by \$450 per year from license fees if the Queen Anne's County Board of License Commissioners imposes the maximum authorized annual fee and all three current Class A light wine licensees switch their licenses to winery licenses. New licensees will have to pay a \$250 application fee.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 19, 2009  
mlm/mwc

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