

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

**FISCAL AND POLICY NOTE**

House Bill 586 (Frederick County Delegation)  
Economic Matters

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**Frederick County - Alcoholic Beverages - Winery License**

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This bill authorizes the Frederick 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 \$200.

The bill takes effect July 1, 2009.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Potential minimal increase in Frederick County revenues from license fees. Potential minimal increase in county expenditures for enforcement at Class W licensed premises.

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

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**Analysis**

**Bill Summary:** The Frederick 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.

The bill specifies that a holder of a Class 4 license who holds a Class A light wine license issued by the Frederick 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 Revenues:** While the area does boast a number of wineries, the number of potential Class W licensees cannot be reliably determined at this time.

**Local Expenditures:** Frederick County is a popular wine producing region of the State. The county advises that some of its Class A (light wine) licensees may be interested in a Class W license. The county does not currently enforce on premise consumption at these facilities, since that activity is prohibited under a Class A license. The bill would create a locally enforced license under which on premise consumption is authorized. The county has one full-time alcoholic beverages inspector and the largest land area of any county in the State, a combination that the county advises has placed a strain on its enforcement resources. The creation of a license that would require additional local enforcement may result in increased expenditures to the county.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 20, 2009  
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