

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 688 (Harford County Delegation)
Economic Matters

Harford County - Alcoholic Beverages - Winery License

This bill authorizes the Harford County Liquor Control Board 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.

Fiscal Summary

State Effect: None.

Local Effect: Harford County revenues increase by \$200 annually beginning in FY 2010. County expenditures increase by at least \$650 annually beginning in FY 2010.

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

Analysis

Bill Summary: The Harford County Liquor Control Board 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 Harford County Liquor Control Board 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 Fiscal Effect: There are currently two wineries in Harford County with a Class A light wine license. Assuming both of these wineries will exchange their Class A light wine license, which has a \$100 fee, for the new Class W winery license, Harford County revenues increase by \$200 annually beginning in fiscal 2010. This assumes the liquor control board will set the annual license fee at the maximum rate of \$200.

Harford County advises that the liquor control board will need to increase inspections at these licensees due to the new privileges that are included with the Class W winery license. Accordingly, Harford County expenditures increase by at least \$650 annually beginning in fiscal 2010 to reflect costs associated with inspectors' salaries and travel.

Additional Information

Prior Introductions: None.

Cross File: SB 397 (Harford County Senators) - Education, Health, and Environmental Affairs.

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

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

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