

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

**FISCAL AND POLICY NOTE**

House Bill 519 (Delegate Kullen)  
Economic Matters

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**Calvert County - Alcoholic Beverages - Winery License**

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This bill authorizes the Calvert 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:** Calvert County revenues increase by \$600 annually beginning in FY 2010. Potential minimal increase in county expenditures.

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

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**Analysis**

**Bill Summary:** The Calvert 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 Calvert 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 Fiscal Effect:** There are currently four wineries in Calvert County with a Class A light wine license. Assuming that all of these wineries will exchange their Class A light wine license, which has a \$50 fee, for the new Class W winery license, Calvert County revenues increase by \$600 annually beginning in fiscal 2010. This assumes the board of license commissioners will set the annual license fee at the maximum rate of \$200.

Calvert County advises that the board of license commissioners may need to increase inspections at these licensees due to the new privileges that are included with the Class W winery license. Any additional expenditures are expected to be minimal.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

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

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