

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Revised

House Bill 559

(Prince George's County Delegation)

Economic Matters

Education, Health, and Environmental Affairs

Prince George's County - Winery Special Event Permits - Farmers' Markets
PG 304-10

This bill authorizes the Comptroller's Office to issue up to 12 additional winery special event permits in a calendar year to a licensed Class 4 Maryland limited winery for use at farmers' markets in Prince George's County listed on the Maryland Department of Agriculture (MDA) Farmers' Market Directory. The holder of an additional winery special event permit issued under the bill is prohibited from selling wine by the glass. A farmers' market administrator or its designee is required to be present during hours when wine is being sold and to be certified by an approved alcohol awareness program.

The bill takes effect June 1, 2010.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues beginning in FY 2010. The fee for the winery special event permit is \$25 per event. Expenditures are not affected.

Local Effect: None.

Small Business Effect: Potential minimal impact for Class 4 Maryland limited wineries and for farmers' markets in Prince George's County.

Analysis

Current Law: The Comptroller's Office may issue up to 12 winery special event permits to a holder of a Class 4 manufacturer's (Maryland limited winery) license in any

given calendar year. However, no more than three winery special event permits may be issued for use in the same political subdivision during a calendar year.

The permit may only be issued for an event which (1) has as its major purpose an activity other than the sale and promotion of alcoholic beverages and for which the participation of the winery is a subordinate activity; (2) is approved by MDA and the Comptroller's Office; and (3) is held on a nonlicensed premises or a premises on which a person may obtain a temporary alcoholic beverages license.

A winery special event permit authorizes the permit holder to provide one-ounce samples, sell wine by the glass for on-premises consumption, and sell no more than four 750 ml bottles of wine to a consumer for off-premises consumption. The fee for a winery special event permit is \$25 per event.

Background: Statewide, 51 winery special events permits were issued in fiscal 2009, which resulted in \$1,275 in general fund revenue due to collection of the \$25 permit issuance fee. In Prince George's County, 6 of the 41 eligible wineries in the State sold wine at the 10 Prince George's County farmers' markets listed in the MDA 2009 Farmers Market Directory.

State Fiscal Effect: The Maryland Wineries Association indicates that all 41 eligible wineries in Maryland may take advantage of the expansion in permit availability under the bill and will attend two farmers' market events per year if given the opportunity. Under this assumption, general fund revenues will increase by \$2,050 on an annual basis due to collection of an additional 82 winery special event permits for use at farmers' markets in Prince George's County.

However, Legislative Services advises that it may be unlikely that this many additional permits will be issued under the bill. For example, only 51 winery special event permits were issued in 2009 out of the 492 authorized under current law, or about 10%. Further, only 6 of the 41 wineries (15%) in the State sold wine at a farmers market in Prince George's County in 2009. Thus, it does not appear that there is sufficient demand to support the issuance of 82 additional permits. To the extent that fewer permits are issued, general fund revenues will increase by less than \$2,050.

The Comptroller advises that any additional permit activity under the bill can be handled with existing resources.

Additional Information

Prior Introductions: HB 970 of 2009 passed the House, received a favorable with amendments report from the Senate Education, Health, and Environmental Affairs Committee, and had no further action taken on it.

Cross File: None.

Information Source(s): Prince George's County, Maryland Department of Agriculture, Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - February 17, 2010
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Analysis by: Evan M. Isaacson

Direct Inquiries to:
(410) 946-5510
(301) 970-5510