

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 479
Economic Matters

(Frederick County Delegation)
Education, Health, and Environmental Affairs

Frederick County - Winery Special Event Permits - Farmers' Markets

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 Frederick County listed on the Maryland Department of Agriculture (MDA) Farmers' Market Directory. The holder of a winery special event permit 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, 2011.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues. 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 Frederick 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. With some exceptions, an individual may not be granted more than three winery special event permits for use in the same political subdivision during a

calendar year. Montgomery and Prince George's counties allow an individual to receive an additional 12 winery special event permits for use at farmers' markets in each county. Additionally, Calvert County allows a winery special event permit to be issued for unlimited use for one night each week from June through November at the North Beach Friday Night Farmers' Market.

The winery special event 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, 95 winery special event permits were issued in fiscal 2010, which resulted in \$2,375 in general fund revenues due to collection of the \$25 permit issuance fee. There are 11 Frederick County farmers' markets listed in the MDA 2010 Farmers Market Directory.

State Fiscal Effect: There are 49 Class 4 Limited wineries in Maryland that may take advantage of the expansion in permit availability under the bill and may attend additional farmers' markets in Frederick County if given the opportunity. In 2010, a total of 3 winery special event permits were issued in Frederick County. Two of these permits were issued to a single winery and the third to another winery.

The Comptroller will issue winery special event permits for farmers' markets in Frederick County for a fee of \$25 per event. General fund revenues increase by \$25 for each winery special event permit granted in Frederick County in excess of the maximum number of special event permits that can be granted to a single winery for use in the county under current law (3). The Comptroller advises that any additional permit activity under the bill can be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: SB 821 (Senators Brinkley and Young) - Education, Health, and Environmental Affairs.

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

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ncs/hlb

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