

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 384

(Senator Pipkin)

Education, Health, and Environmental Affairs

Economic Matters

Kent County - Alcoholic Beverages - Micro-Brewery Licenses

This bill adds Kent County to the list of jurisdictions authorizing the issuance of a Class 7 micro-brewery license. The micro-brewery license in Kent County may be issued to a holder of a Class B beer, wine, and liquor (on-sale) license for use on the premises of a restaurant, or to a holder of a Class D beer (off-sale) alcoholic beverages license so long as it is used on the same premises of the existing Class D license in Kent County. For a Class 7 micro-brewery license issued to a holder of a Class D license, the hours and days for consumer sales are the same as established for the Class D license.

Fiscal Summary

State Effect: General fund revenues increase by \$500 for each new Class 7 micro-brewery license issued in Kent County beginning in FY 2013. Expenditures are not affected.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Class 7 micro-brewery (on- and off-sale) licenses are issued by the Comptroller's Office for use in 19 jurisdictions – Allegany, Anne Arundel, Baltimore, Calvert, Carroll, Charles, Dorchester, Frederick, Garrett, Harford, Howard, Montgomery, Prince George's, Talbot, Washington, Wicomico, and Worcester counties; Baltimore City; and the City of Annapolis. In general, the license is issued only to a holder of a Class B beer, wine, and liquor (on-sale) license that is issued for use on the premises of a

restaurant with exceptions for the Town of Berlin in Worcester County, and Montgomery, Prince George's, and Washington counties.

License holders may sell up to 4,000 barrels of beer to customers for consumption on the premises and may collectively brew, bottle, or contract for up to 22,500 barrels of malt beverages each calendar year.

Background: There are currently 15 Class 7 micro-brewery licenses issued in the State; however, none are currently located in Kent County. There are currently no Class D beer license holders in Kent County. There are 21 Class B beer, wine, and liquor, and 5 Class D beer, wine, and liquor license holders in Kent County.

State Fiscal Effect: General fund revenues would increase by \$500 annually from additional Class 7 micro-brewery licenses issued by the Comptroller in Kent County. The Class 7 micro-brewery license allows the licensee to brew or contract to brew and bottle up to 22,500 barrels of malt beverages each year. As a result, alcoholic beverages and sales tax revenues may increase minimally from additional beer being sold by micro-breweries. Issuance of additional Class 7 micro-brewery licenses will not affect expenditures for the Comptroller.

Small Business Effect: To the extent that micro-breweries are established in Kent County, allowing those businesses to sell beer for off-site consumption provides a meaningful benefit to these license holders in the form of additional avenues for the licensee to sell beer.

Additional Information

Prior Introductions: None.

Cross File: HB 192 (Delegate Jacobs, *et al.*) - Economic Matters.

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

Fiscal Note History: First Reader - February 16, 2012
mc/hlb

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