

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 595
Economic Matters

(Delegate Haddaway-Riccio)
Education, Health, and Environmental Affairs

Alcoholic Beverages - Manufacturer's Licenses

This bill authorizes the holder of a specified manufacturer's license (distillery, rectifying, winery, limited winery, or brewery) to hold additional licenses of the same or of a different class for the same or additional premises.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: Potential minimal increase in State licensing revenue to the extent manufacturers seek to obtain additional licenses. Manufacturer's license fees range from \$200 to \$2,000, depending on class. State expenditures are not affected.

Local Effect: None.

Small Business Effect: Potential meaningful. Manufacturer's licensees may realize an economic benefit from being able to hold additional licenses.

Analysis

Current Law: Except for a Class 6 pub-brewery license, the holder of a distillery, rectifying, winery, limited winery, or brewery license may apply for and obtain, under a different name, one or more additional distillery, rectifying, winery, limited winery, or brewery licenses for the same or another premises. The licenses may be issued to different persons or under trade names used by persons occupying a part of or all of the same premises. The holder of a rectifying, winery, or brewery license may apply for and obtain a wholesaler's license of any class for the same premises or elsewhere. The holder of a limited winery license may apply for and obtain a Class 6 limited wine wholesaler's license for the same premises or elsewhere.

State Fiscal Effect: General fund revenues may increase by a minimal amount beginning in fiscal 2013 to the extent alcoholic beverage manufacturer's licensees obtain additional manufacturer's licenses. The amount of any increase will depend on the number of licensees obtaining additional licenses and the type and amount of each license fee. The number of times this may occur cannot be reliably estimated. **Exhibit 1** shows the number of manufacturer's licenses and corresponding fee revenue for fiscal 2011.

Exhibit 1
Manufacturer's Licenses – Alcoholic Beverages
Fiscal 2011

| License Type | Fee | Licensees | Fee Revenue* |
|---------------------|------------|------------------|---------------------|
| Distillery | \$2,000 | 1 | \$2,020 |
| Rectifying | 600 | 38 | 24,520 |
| Winery | 750 | 0 | 0 |
| Limited Winery | 200 | 51 | 10,790 |
| Brewery | 1,500 | 9 | 13,125 |
| Pub-brewery | 500 | 1 | 500 |
| Micro-brewery | 500 | 14 | 6,500 |
| Total | | 114 | \$57,455 |

*License year is from May 1 to April 30; due to prorating of fees, actual revenue collected may not coincide with the number of licenses issued.

Source: Comptroller's Office

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 23, 2012
ncs/hlb

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