

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 1075

(Senator Mathias)

Education, Health, and Environmental Affairs

Economic Matters

Worcester County - Alcoholic Beverages - Beer and Wine Festivals

This bill increases the number of beer and wine festivals authorized in Worcester County in which special festival licenses are issued by the Worcester County Board of License Commissioners beyond the present one for the Worcester County Beer and Wine Festival (WBWF). The bill authorizes the board to issue no more than three special festival licenses each year, including the WBWF and other similar festivals featuring beer and wine that the board approves.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: None.

Local Effect: Worcester County revenues will increase by \$3,000 for each additional license issued by the Worcester County Board of License Commissioners, up to a maximum of \$6,000 if two additional licenses are issued.

Small Business Effect: Potential meaningful.

Analysis

Current Law: The Worcester County Board of License Commissioners is authorized to issue, regulate, and set the license fees of special festival license for the WBWF to be held one weekend a year, Friday through Sunday inclusive, at a location in the county chosen by the board. The primary focus of the WBWF must be the promotion of

Maryland beer and wine, and it cannot take place on the same weekend as the Maryland Wine Festival.

The special WBWF licensee must be a holder of an existing State retail alcoholic beverages license, a State Class 3 winery license, or a State Class 4 limited winery license. A licensee is permitted to display and sell wine that is manufactured and processed in any state; price filed in accordance with the Comptroller's regulations; and distributed in Maryland at the time the application is filed. A licensee is permitted to display and sell beer that is brewed by a brewer who brews less than 60,000 barrels of beer annually; and whose product is distributed in Maryland at the time the application is filed.

The licensee may display and sell beer and wine at retail for consumption on or off the licensed premises, and display and sell wine at retail that is manufactured and processed in any state for consumption off the licensed premises on the days and for the hours designated for the WBWF.

All products that are displayed and sold at the WBWF must be invoiced to the WBWF licensee by a licensed State wholesaler, winery, or limited winery who must deliver the products to the WBWF licensee directly from their licensed premises up to two days prior to the effective date of the WBWF license. The beer and wine products must be accepted for return by the wholesaler, winery, or limited winery up to two days after the expiration date of the license.

A holder of a WBWF license is not prohibited from holding another alcoholic beverages license of a different class or nature.

Local Revenues: The current special license fee is \$3,000 in Worcester County for the WBWF. Worcester County advises that there will likely only be one additional beer and wine festival in fiscal 2013, which would generate an additional \$3,000 in revenues from license fees. A maximum increase of \$6,000 in license fee revenues is possible if both of the additional beer and wine festivals authorized by the bill are successfully added.

Additional Information

Prior Introductions: None.

Cross File: HB 1436 (Delegates Conway and McDermott) - Economic Matters.

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

Fiscal Note History: First Reader - March 15, 2012
ncs/hlb

Analysis by: Trevor S. Owen

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