

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 179 (St. Mary's County Delegation)
Economic Matters

St. Mary's County - Alcoholic Beverages - Distillery Licenses

This bill permits the holder of a Class 1 distillery manufacturer's license to produce samples of liquor at a distillery in St. Mary's County; and provide samples no greater than one-half ounce of liquor from a given brand to a participant of a guided tour of the distillery who is at least 21 years old. It also establishes a Class 7 distillery wholesaler's license issued only to a distiller that operates in St. Mary's County; that produces not more than 27,500 gallons of its own liquor annually at the distillery; and holds a Class 1 manufacturer's license. The holder of the Class 7 distillery wholesaler's license, on approval of the application and payment of the \$50 fee, may sell and deliver the brand of liquor produced on the premises to a retail licensee or permit holder in the State authorized to acquire liquor, but the licensee may not sell the liquor to a licensed wholesaler.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: Potential minimal. There are presently no Class 1 distillery manufacturer's licenses issued in St. Mary's County to which the bill would apply, and only one such license issued in the State. State expenditures are not affected.

Local Effect: None. The bill will not affect St. Mary's County finances.

Small Business Effect: Potential meaningful.

Analysis

Current Law: A Class 1 manufacturer's license is a distillery license, which authorizes the establishment and operation of a plant for distilling brandy, rum, whiskey, alcohol, and neutral spirits. It also authorizes the sale and delivery of those alcoholic beverages in bulk to persons authorized in Maryland to acquire them, and the sale and delivery of those alcoholic beverages to persons located outside of Maryland.

A Class 1 manufacturer's license must be obtained for each trade name and for each distillery in the State. It permits a distiller to manufacture alcoholic beverages in the name of another person or under a trade name, provided a distillery license has been issued to that other person or under that trade name, as the case may be. It also permits the license holder to acquire bulk alcoholic beverages from the holder of a distillery, rectifying, or winery license in Maryland or from the holder of a nonresident dealer's permit.

Background: There is one Class 1 manufacturer's license (distillery license) holder in the State. That license was issued by the Comptroller in May 2011 to Blackwater Distilling, Inc., which is located in Queen Anne's County.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): St. Mary's County, Comptroller's Office, Department of Legislative Services

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ncs/hlb

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