

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 301
Economic Matters

(St. Mary's County Delegation)

Education, Health, and Environmental Affairs

St. Mary's County - Alcoholic Beverages - Class 6 Pub-Brewery License

This bill enables the Comptroller to issue a Class 6 pub-brewery license in St. Mary's County.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: General fund revenues increase by \$500 for each license issued to a holder of a Class B beer, wine, and liquor license in St. Mary's County beginning in FY 2014. Expenditures are not affected.

Local Effect: St. Mary's County license fee revenues increase by \$650 for each new Class B beer, wine, and liquor license issued beginning in FY 2014. Expenditures are not affected.

Small Business Effect: Minimal overall, but potentially meaningful for a small business with a Class B beer, wine, and liquor license in St. Mary's County that seeks to establish a pub-brewery.

Analysis

Current Law: A Class 6 pub-brewery license is issued by the Comptroller to a holder of a Class B beer, wine, and liquor (on-sale) license. The license may be issued throughout the State, except in five counties (Allegany, Caroline, Howard, St. Mary's, and Somerset). The holder of a Class 6 pub-brewery license may brew malt beverages, up to 2,000 barrels per calendar year, at a single location for consumption on the restaurant

premises. The premises of the pub-brewery must be located immediately adjacent to the restaurant where the brewed beverage is to be sold to the public.

In 12 jurisdictions (Anne Arundel, Baltimore, Calvert, Cecil, Charles, Harford, Prince George's, Talbot, Wicomico, and Worcester counties; Baltimore City; and the City of Annapolis), the holder of a Class 6 pub-brewery license may sell malt beverages for off-premises consumption in sealed refillable containers. The license fee is \$500 per license year.

Background: There is currently only one Class 6 pub-brewery license in the State. It is located in Baltimore City.

State Fiscal Effect: The Comptroller's Office issues Class 6 pub-brewery licenses for an annual fee of \$500. Assuming at least one new Class B beer, wine, and liquor restaurant licensee seeks a pub-brewery license, general fund revenues increase by \$500 annually from issuance of an additional license.

The Class 6 pub-brewery license allows the licensee to brew up to 2,000 barrels of malt beverages each year. As a result, alcoholic beverages and sales tax revenues may increase minimally from additional beer being sold by pub-breweries. Issuance of additional Class 6 pub-brewery licenses will not affect expenditures for the Comptroller.

Local Fiscal Effect: The St. Mary's County Alcohol Beverage Board issues Class B beer, wine, and liquor restaurant licenses for an annual license fee of \$650. There were 68 Class B beer, wine, and liquor licenses issued in St. Mary's County in 2012. Assuming one new Class B restaurant licensee seeks a pub-brewery license, local revenues increase by \$650 annually from issuance of a Class B restaurant license. Any enforcement activities can be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 20, 2013
ncs/hlb

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