

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 162
Economic Matters

(Caroline County Delegation)
Education, Health, and Environmental Affairs

Caroline County - Alcoholic Beverages - Micro-Brewery Licenses

This bill adds Caroline County to the list of jurisdictions authorizing the issuance of a Class 7 micro-brewery license. The micro-brewery license in Caroline 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. The bill also gives a holder of a micro-brewery license in Caroline County an off-sale privilege to sell beer brewed under the license to customers for consumption off the licensed premises in refillable containers that are sealed by the licensee at the time of each refill.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: General fund revenues increase by \$500 for each new Class 7 micro-brewery license issued in Caroline County beginning in FY 2014. 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 20 jurisdictions – Allegany, Anne Arundel, Baltimore, Calvert, Carroll, Charles, Dorchester, Frederick, Garrett, Harford, Howard, Kent, 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 Kent, 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. License holders in the 20 jurisdictions also have the off-sale privilege to sell beer brewed under the license to customers for consumption off the licensed premises in refillable containers that are sealed by the licensee at the time of each refill.

Background: There are currently 20 Class 7 micro-brewery licenses issued in the State. There are 6 Class B beer, wine, and liquor license holders in Caroline County.

State Fiscal Effect: General fund revenues would increase by \$500 annually from additional Class 7 micro-brewery licenses issued by the Comptroller in Caroline 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 Caroline 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: SB 148 (Senators Colburn and Pipkin) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 6, 2013
ncs/hlb

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