

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

House Bill 202
Economic Matters

(Montgomery County Delegation)

Education, Health, and Environmental Affairs

Montgomery County - Alcoholic Beverages - Wineries
MC 21-15

This bill authorizes the Montgomery County Board of License Commissioners to issue a Class D beer and light wine license to the holder of a Class 3 (winery) Manufacturer's license in Montgomery County that produces no more than 20,000 gallons per year.

The bill takes effect July 1, 2015.

Fiscal Summary

State Effect: Negligible increase in general fund revenues to the extent that the bill results in any application for and issuance of additional Class 3 Manufacturer's licenses in Montgomery County as a result of the bill. Expenditures are not affected.

Local Effect: Montgomery County revenues increase by \$600 for each Class D beer and light wine license application due to filing fees and \$400 annually for each Class D beer and wine license issued due to annual license fees. Expenditures are not materially affected.

Small Business Effect: Minimal.

Analysis

Current Law: In Maryland, Class D licenses allow licensees to sell alcoholic beverages in a tavern or bar for consumption on or off premises. In Montgomery County, the annual license fee for a Class D (on-sale) beer and light wine license is \$400, and the holder of this license may be issued a refillable container permit.

A Class 3 Manufacturer's license authorizes the holder to establish a plant for fermenting and bottling wine. The licensee may then sell and deliver his or her wine to any wholesaler, permit holder, or other person that is authorized to purchase or acquire the wine.

Generally, the liquor control board in each county has an absolute monopoly of the sale and distribution of any alcoholic beverage that is sparkling or fortified wine or any other alcoholic beverage it is authorized to sell. In Montgomery County, the liquor control board is the Department of Liquor Control, and it is authorized to sell any kind of alcoholic beverage. The county may sell alcoholic beverages through the use of a county liquor dispensary.

Background: In fiscal 2014, there were three Class 3 manufacturer's licenses issued in the State (none of which are located in Montgomery County) and 82 Class D beer and light wine licenses issued in Montgomery County.

Local Revenues: The Montgomery County Board of License Commissioners requires a filing fee of \$600 with each application for an alcoholic beverages license, and the annual fee for a Class D beer and light wine license is \$400. Thus, Montgomery County revenues increase by \$600 for each Class D beer and light wine license application due to filing fees and \$400 annually for each Class D beer and wine license issued due to annual license fees.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 18, 2015
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