

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 71

(Delegate Luedtke, *et al.*)

Economic Matters

Rules

Alcoholic Beverages - Class 8 Farm Brewery License Holders - Food Service

This bill authorizes the holder of a Class 8 Farm Brewery License to sell or serve any type of food if the license holder is also licensed to operate a food establishment in the State. The license holder must meet the same ratio of gross receipts between food and alcoholic beverages sales as a holder of a Class D beer and wine license or an equivalent license in the jurisdiction, as determined by the local licensing board.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: None.

Local Effect: None.

Small Business Effect: Minimal overall, but potential meaningful for any licensee who is able to serve or sell additional food as a result of the bill.

Analysis

Current Law: Chapters 542 and 543 of 2012 established a Class 8 farm brewery manufacturer's license with an annual license fee of \$200. A holder of the license is authorized to sell and deliver beer manufactured in a facility on the licensed farm or in a facility other than one on the licensed farm to (1) a wholesaler licensed to sell and deliver beer in the State or (2) a person in another state authorized to acquire beer. The beer to be sold and delivered must be manufactured with an ingredient from a Maryland agricultural product, including hops, grain, and fruit, produced on the licensed farm.

A licensee may (1) sell its own beer for consumption on the licensed farm; (2) provide small samples of its own beer to a consumer at no charge or for a fee; and (3) sell or serve bread and other baked goods, chili, chocolate, crackers, cured meat, fruits (whole and cut), salads and vegetables (whole and cut), hard and soft cheese (whole and cut), ice cream, jelly, jam, vinegar, pizza, prepackaged sandwiches and other prepackaged foods ready to be eaten, soup, and condiments.

Generally, a person in the State may not operate a food establishment unless licensed by the Department of Health and Mental Hygiene (DHMH). DHMH licenses food establishments to ensure they are constructed, operated, and maintained in a manner that assures that all food manufactured, processed, stored, or prepared for human consumption is done so under conditions necessary to protect the public health, safety, and welfare.

Background: In fiscal 2016, there were 14 Class 8 farm brewery licenses issued in the State.

Additional Information

Prior Introductions: None.

Cross File: Although SB 210 (Senator Zucker – Education, Health, and Environmental Affairs) is designated as a cross file, it is not identical.

Information Source(s): Comptroller’s Office; Department of Health and Mental Hygiene; Department of Legislative Services

Fiscal Note History: First Reader - February 2, 2017
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