

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 742
Economic Matters

(Delegate W. Miller)

Alcoholic Beverages - Class 4 Limited Winery Licenses

This bill specifies that a Class 4 limited winery license may *only* be issued for use at a location used, as its principal purpose, for the production of wine by the license holder. A local licensing board may not issue any class of retail license to a Class 4 limited winery license holder or any entity in which the license holder holds a direct or indirect interest.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: Local revenues may decrease minimally to the extent that local licensing boards currently issue retail licenses to Class 4 limited wineries due to the bill's prohibition of this practice.

Small Business Effect: Minimal overall, but potential meaningful for a small business affected by the bill's limitations for Class 4 limited wineries.

Analysis

Current Law: A Class 4 limited winery license may be issued by the Comptroller, and authorizes the sale and sampling of wine and pomace brandy produced by the license holder for consumption.

A license holder may (1) sell or serve specified types of food; (2) distill and bottle up to 1,900 gallons of pomace brandy made from available Maryland agricultural products;

(3) purchase bulk wine and pomace brandy in a specified manner; (4) import, export, and transport its product; (5) store the product of other Class 4 limited wineries in a specified manner; and (6) produce wine and pomace brandy at a warehouse for which the license holder has been issued an individual storage permit if specified conditions are met. A Class 4 limited winery may only be located at the place stated on the license. Throughout the winemaking process, the licensee must maintain ownership of the wine or pomace brandy and ensure it returns to the location of the limited winery. The annual license fee is \$200.

Background: There are currently 88 Class 4 limited winery licenses issued in the State.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office; Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2017
fn/tso

Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510