

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1425
Economic Matters

(Delegate McKay)
Education, Health, and Environmental Affairs

Washington County - Alcoholic Beverages - Wineries - Special Event Permits

This bill establishes a special event permit that the Washington County Board of License Commissioners may issue to a holder of a Class 3 winery license or a Class 4 limited winery license. The permit authorizes the holder to sell for on-premises consumption of beer, wine produced by the holder, and liquor at an event for which the entire licensed premises has been rented, or an event that the board approves. A license holder must notify the board at least one week in advance before the event covered by the permit is to occur. The permit may be used no more than 60 times in a year. The annual permit fee is \$1,000.

The bill takes effect July 1, 2017, and terminates June 30, 2019.

Fiscal Summary

State Effect: None.

Local Effect: Washington County revenues increase by up to \$2,000 in FY 2018 and 2019 from special event permit fees. Washington County can handle any enforcement activity with existing resources.

Small Business Effect: Minimal.

Analysis

Current Law:

Class 3 Winery License

The Comptroller issues a Class 3 winery license, which authorizes a license holder to establish and operate a plant for fermenting and bottling wine, importing bulk wine, and selling and delivering wine to wholesalers, permit holders, and other specified persons authorized to acquire wine. A license holder may sell, at retail, wine made at the plant from products grown in the State to an individual participating in a guided tour of the plant and serve, at no charge, not more than six ounces of wine made at the plant to an individual participating in a guided tour of the plant who has attained the legal drinking age. The annual license fee is \$750.

Class 4 Limited Winery License

The Comptroller issues a Class 4 winery license, which authorizes a license holder to ferment and bottle wine and distill and bottle pomace brandy from available Maryland agricultural products. A license holder may sell and deliver the wine and pomace brandy to wholesalers, permit holders, and other specified persons authorized to acquire wine or pomace brandy. The license authorizes a holder to sell wine and pomace brandy produced by the license holder for consumption and provide, in an amount not exceeding two fluid ounces per brand, samples of wine and pomace brandy that the license holder produces to a consumer at no charge or for a fee. License holders are subject to various restrictions on operating hours and food sales and service. The annual license fee is \$200.

Local Fiscal Effect: According to the Comptroller's Office, two Class 4 limited wineries would be eligible to obtain the permit. Accordingly, revenues increase by up to \$2,000 in fiscal 2018 and 2019 from special event permit fees.

Additional Information

Prior Introductions: None.

Cross File: SB 620 (Washington County Senators) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 16, 2017
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