

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 325 (Senator Ready)
Education, Health, and Environmental Affairs

Alcoholic Beverages - On-Premises Promotions and Product Sampling - Holders
of Manufacturer's Licenses

This bill authorizes a holder of any manufacturer's license, not just a holder of a Class 4 limited winery manufacturer's license, to bring the products manufactured on its licensed premises onto a retail licensed premises under specified conditions for promotion and product sampling on the retailer's licensed premises.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: General fund expenditures for the Comptroller's Office increase minimally in FY 2018 to change forms and make information technology programming changes. Any additional sales as a result of customers sampling the products does not materially affect general fund revenues from sales taxes.

Local Effect: None.

Small Business Effect: Minimal. Holders of manufacturer's licenses may benefit from being able to promote and provide samples of their products on a retailer's licensed premises.

Analysis

Current Law: An individual may not consume an alcoholic beverage on a license holder's premises that is not purchased on the premises from the license holder and not otherwise authorized to be consumed on the premises. However, a Class 4 limited winery may bring

wine or pomace brandy manufactured on its licensed premises onto a retail licensed premises under specified conditions for promotion and product sampling.

Background: There were 259 manufacturer's licenses issued in the State in fiscal 2016.

Additional Information

Prior Introductions: HB 370 of 2016 received a hearing in the House Economic Matters Committee, but no further action was taken.

Cross File: None.

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

Fiscal Note History: First Reader - February 22, 2017
mm/tso

Analysis by: Richard L. Duncan

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