

**Department of Legislative Services**  
Maryland General Assembly  
2020 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

Senate Bill 118

(Chair, Education, Health, and Environmental Affairs  
Committee)(By Request - Departmental - Agriculture)

Education, Health, and Environmental Affairs

Economic Matters

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**Land Use - Alcohol Production and Agricultural Alcohol Production**

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This departmental bill establishes statutory definitions for “alcohol production” and “agricultural alcohol production” in the Land Use Article. Either or both definitions may be (but are not required to be) adopted by a local jurisdiction by local ordinance, resolution, law, or rule.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** None.

**Small Business Effect:** The Maryland Department of Agriculture (MDA) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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**Analysis**

**Bill Summary:** “Alcohol production” means an activity related to the manufacture, packaging, storage, promotion, or sale of alcoholic beverages that is carried out by an alcoholic beverages manufacturing license holder. It includes the use of an area to provide tastings of alcoholic beverages or accommodate the license holder’s customers.

“Agricultural alcohol production” means an activity that (1) is carried out by an alcoholic beverages manufacturing license holder; (2) occurs on agricultural land; and (3) is related to the manufacture, packaging, storage, promotion, or sale of alcoholic beverages that use

ingredients produced on the agricultural land or any associated agricultural land. It includes the use of an area to provide tastings of alcoholic beverages or accommodate the license holder's customers.

**Current Law/Background:** MDA advises that farmers in the State have recently needed to diversify their businesses, and many are looking toward value-added productions such as breweries, wineries, and distilleries. The bill, therefore, is intended to act as a reference in State law to help local jurisdictions regulate their own agricultural alcohol producers. MDA further advises that Carroll, Charles, and Frederick counties have already adopted language based on the bill's definitions while Baltimore and Washington counties are currently working to adopt similar language.

There were 298 alcoholic beverages manufacturers licenses issued in the State in fiscal 2019.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Agriculture; Maryland Department of Planning; Maryland Association of Counties; Maryland Municipal League; Caroline, Howard, and Prince George's counties; City of Havre de Grace; Department of Legislative Services

**Fiscal Note History:** First Reader - January 9, 2020  
mr/tso Third Reader - January 24, 2020

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Land Use – Alcohol Producers and Agricultural Alcohol Producers

BILL NUMBER: SB 118

PREPARED BY: Cassie Shirk

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

**OR**

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS

No direct, immediate impact on small business. However, the legislation is intended to benefit farm alcohol producers if the definition is adopted by local governments.