

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 833

(Charles County Senators)

Education, Health, and Environmental Affairs

Economic Matters

Charles County – Alcoholic Beverages – Class 4 Limited Winery License

This bill authorizes a Class 4 limited winery license holder in Charles County to hold or have a financial interest in one retail license that does not apply to the premises for which the Class 4 limited winery license applies. **The bill takes effect July 1, 2021.**

Fiscal Summary

State Effect: None.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Section 2-216 of the Alcoholic Beverages Article prohibits a manufacturing entity from (1) having a financial interest in the premises on which a license holder sells alcoholic beverages at retail or a business that a license holder conducts; (2) lending money or any other thing of value or making a gift to a retail dealer; and (3) providing advertisement to a retail dealer. Additionally, a retail dealer may not accept, receive, or make use of money, a gift, or an advertisement provided by a manufacturing entity or become indebted to a manufacturing entity except for the purchase of alcoholic beverages and allied products purchased for resale.

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 Class 4 license holder must (1) own or have under contract at least 20 acres of grapes or other fruit in cultivation in the State for use in the production of wine or (2) if less than 20 acres are owned or under contract, ensure that at least 51% of the ingredients used in the annual production of wine are grapes or other fruit grown in the State. 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.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 1018 (Charles County Delegation) - Economic Matters.

Information Source(s): Charles County; Department of Legislative Services

Fiscal Note History: First Reader - February 17, 2021
an/tso Third Reader - March 19, 2021

Analysis by: Michael E. Sousane

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