

SENATE BILL 594

C8, B1

2lr2344
CF HB 1388

By: **Senator Guzzone**

Introduced and read first time: February 2, 2022

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 21, 2022

CHAPTER _____

1 AN ACT concerning

2 **Winery and Vineyard Economic Development Grant Program**

3 FOR the purpose of establishing the Winery and Vineyard Economic Development Grant
4 Program within the Department of Commerce; authorizing certain individuals and
5 corporations to receive a grant in connection with establishing certain wineries and
6 vineyards or completing capital improvements at certain existing wineries and
7 vineyards; and generally relating to the Winery and Vineyard Economic
8 Development Grant Program.

9 BY adding to

10 Article – Economic Development

11 Section 5–1901 through 5–1903 to be under the new subtitle “Subtitle 19. Winery
12 and Vineyard Economic Development Grant Program”

13 Annotated Code of Maryland

14 (2018 Replacement Volume and 2021 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Economic Development**

18 **SUBTITLE 19. WINERY AND VINEYARD ECONOMIC DEVELOPMENT GRANT**
19 **PROGRAM.**

20 **5–1901.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
2 INDICATED.

3 (B) "PROGRAM" MEANS THE WINERY AND VINEYARD ECONOMIC
4 DEVELOPMENT GRANT PROGRAM ESTABLISHED UNDER § 5-1902 OF THIS
5 SUBTITLE.

6 (C) "QUALIFIED CAPITAL EXPENSES" MEANS ALL EXPENDITURES MADE BY
7 AN INDIVIDUAL OR A CORPORATION FOR THE PURCHASE AND INSTALLATION OF
8 EQUIPMENT OR AGRICULTURAL MATERIALS FOR USE IN THE PRODUCTION OF
9 AGRICULTURAL PRODUCTS AT A VINEYARD OR A WINERY, INCLUDING:

- 10 (1) BARRELS;
- 11 (2) BINS;
- 12 (3) BOTTLING EQUIPMENT;
- 13 (4) CANOPY MANAGEMENT MACHINES;
- 14 (5) CAPSULING EQUIPMENT;
- 15 (6) CHEMICALS;
- 16 (7) CORKERS;
- 17 (8) CRUSHERS;
- 18 (9) DESTEMMERS;
- 19 (10) FERMENTERS OR OTHER RECOGNIZED FERMENTATION DEVICES;
- 20 (11) FERTILIZER AND SOIL AMENDMENTS;
- 21 (12) FILTERS;
- 22 (13) FRUIT HARVESTERS;
- 23 (14) FRUIT PLANTS;
- 24 (15) HOSES;
- 25 (16) IRRIGATION EQUIPMENT;

- 1 **(17) LABELING EQUIPMENT;**
- 2 **(18) LUGS;**
- 3 **(19) MOWERS;**
- 4 **(20) POLES;**
- 5 **(21) POSTS;**
- 6 **(22) PRESSES;**
- 7 **(23) PRUNING EQUIPMENT;**
- 8 **(24) PUMPS;**
- 9 **(25) REFRACTOMETERS;**
- 10 **(26) REFRIGERATION EQUIPMENT;**
- 11 **(27) SEEDERS;**
- 12 **(28) SOIL;**
- 13 **(29) SMALL TOOLS;**
- 14 **(30) TANKS;**
- 15 **(31) TRACTORS;**
- 16 **(32) VATS;**
- 17 **(33) WEEDING AND SPRAYING EQUIPMENT;**
- 18 **(34) WINE TANKS;**
- 19 **(35) WIRE; AND**
- 20 **(36) ANY OTHER ITEMS AS APPROVED BY THE DEPARTMENT.**

21 **(D) "VINEYARD" MEANS AGRICULTURAL LANDS LOCATED IN THE STATE**
22 **CONSISTING OF AT LEAST 1 CONTIGUOUS ACRE DEDICATED TO THE GROWING OF**
23 **GRAPES THAT ARE USED OR ARE INTENDED TO BE USED IN THE PRODUCTION OF**
24 **WINE BY A WINERY AS WELL AS ANY PLANTS OR OTHER IMPROVEMENTS LOCATED**
25 **ON THE AGRICULTURAL LANDS.**

1 (E) "WINERY" MEANS AN ESTABLISHMENT OR A LOCATION IDENTIFIED IN:

2 (1) A CLASS 3 WINERY LICENSE ISSUED UNDER § 2-205 OF THE
3 ALCOHOLIC BEVERAGES ARTICLE; OR

4 (2) A CLASS 4 LIMITED WINERY LICENSE ISSUED UNDER § 2-206 OF
5 THE ALCOHOLIC BEVERAGES ARTICLE.

6 5-1902.

7 (A) THERE IS A WINERY AND VINEYARD ECONOMIC DEVELOPMENT GRANT
8 PROGRAM IN THE DEPARTMENT.

9 (B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL
10 ASSISTANCE TO INDIVIDUALS AND CORPORATIONS TO:

11 (1) ESTABLISH A NEW WINERY OR VINEYARD IN THE STATE; OR

12 (2) COMPLETE CAPITAL IMPROVEMENTS AT AN EXISTING WINERY OR
13 VINEYARD.

14 5-1903.

15 (A) SUBJECT TO THE LIMITATIONS OF THIS SECTION, THE DEPARTMENT
16 SHALL PROVIDE A GRANT TO AN INDIVIDUAL OR A CORPORATION EQUAL TO 25% OF
17 THE QUALIFIED CAPITAL EXPENSES INCURRED IN CONNECTION WITH:

18 (1) THE ESTABLISHMENT OF A NEW WINERY OR VINEYARD; OR

19 (2) CAPITAL IMPROVEMENTS MADE TO AN EXISTING WINERY OR
20 VINEYARD.

21 (B) (1) BY SEPTEMBER 15 OF THE CALENDAR YEAR IN WHICH THE
22 QUALIFIED CAPITAL EXPENSES ARE PAID OR INCURRED, AN INDIVIDUAL OR A
23 CORPORATION MAY SUBMIT AN APPLICATION TO THE DEPARTMENT FOR A GRANT
24 AUTHORIZED UNDER THIS SECTION.

25 (2) (I) FOR ANY FISCAL YEAR, THE TOTAL AMOUNT OF GRANTS
26 APPROVED BY THE DEPARTMENT UNDER THIS SECTION MAY NOT EXCEED
27 ~~\$1,000,000~~ THE TOTAL APPROPRIATION FOR THE PROGRAM FOR THAT FISCAL
28 YEAR.

1 (II) IF THE TOTAL AMOUNT OF GRANTS APPLIED FOR UNDER
2 THIS SECTION EXCEEDS THE MAXIMUM SPECIFIED UNDER SUBPARAGRAPH (I) OF
3 THIS PARAGRAPH, THE DEPARTMENT SHALL APPROVE A GRANT FOR EACH
4 APPLICANT IN AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE AMOUNT
5 APPLIED FOR BY THE APPLICANT TIMES A FRACTION:

6 1. THE NUMERATOR OF WHICH IS THE MAXIMUM
7 SPECIFIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH; AND

8 2. THE DENOMINATOR OF WHICH IS THE TOTAL OF ALL
9 GRANTS APPLIED FOR BY ALL APPLICANTS FOR THAT CALENDAR YEAR.

10 (3) ON OR BEFORE DECEMBER 15 EACH YEAR, THE DEPARTMENT
11 SHALL AWARD THE GRANTS AUTHORIZED UNDER THIS SECTION TO EACH ELIGIBLE
12 APPLICANT.

13 (C) FOR EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE
14 ANNUAL BUDGET BILL AN APPROPRIATION OF AT LEAST \$1,000,000 TO THE
15 DEPARTMENT TO AWARD GRANTS UNDER THE PROGRAM.

16 (D) THE DEPARTMENT SHALL ADOPT REGULATIONS TO:

17 (1) IMPLEMENT THE PROVISIONS OF THIS SECTION; AND

18 (2) SPECIFY CRITERIA AND PROCEDURES FOR APPLICATION FOR,
19 APPROVAL OF, AND MONITORING CONTINUING ELIGIBILITY FOR THE GRANTS
20 AUTHORIZED UNDER THIS SECTION.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
22 1, 2022.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.