

Chapter 358

(Senate Bill 594)

AN ACT concerning

Winery and Vineyard Economic Development Grant Program

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

BY adding to

Article – Economic Development

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

Annotated Code of Maryland

(2018 Replacement Volume and 2021 Supplement)

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

Article – Economic Development

SUBTITLE 19. WINERY AND VINEYARD ECONOMIC DEVELOPMENT GRANT PROGRAM.

5–1901.

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

(B) “PROGRAM” MEANS THE WINERY AND VINEYARD ECONOMIC DEVELOPMENT GRANT PROGRAM ESTABLISHED UNDER § 5–1902 OF THIS SUBTITLE.

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

- (1) BARRELS;

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

- (24) PUMPS;**
- (25) REFRACTOMETERS;**
- (26) REFRIGERATION EQUIPMENT;**
- (27) SEEDERS;**
- (28) SOIL;**
- (29) SMALL TOOLS;**
- (30) TANKS;**
- (31) TRACTORS;**
- (32) VATS;**
- (33) WEEDING AND SPRAYING EQUIPMENT;**
- (34) WINE TANKS;**
- (35) WIRE; AND**
- (36) ANY OTHER ITEMS AS APPROVED BY THE DEPARTMENT.**

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

(E) “WINERY” MEANS AN ESTABLISHMENT OR A LOCATION IDENTIFIED IN:

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

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

5-1902.

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

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

- (1) ESTABLISH A NEW WINERY OR VINEYARD IN THE STATE; OR**
- (2) COMPLETE CAPITAL IMPROVEMENTS AT AN EXISTING WINERY OR VINEYARD.**

5-1903.

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

- (1) THE ESTABLISHMENT OF A NEW WINERY OR VINEYARD; OR**
- (2) CAPITAL IMPROVEMENTS MADE TO AN EXISTING WINERY OR VINEYARD.**

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

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

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

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

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

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

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

(D) THE DEPARTMENT SHALL ADOPT REGULATIONS TO:

(1) IMPLEMENT THE PROVISIONS OF THIS SECTION; AND

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

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

Approved by the Governor, May 16, 2022.