

Department of Legislative Services  
Maryland General Assembly  
2023 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 246  
Economic Matters

(Delegate Harrison, *et al.*)

Finance

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Alcoholic Beverages - Class 4 Limited Winery License - Food Service

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This bill authorizes a holder of a Class 4 limited winery license to prepare, sell, or serve food other than previously permissible listed items if the license holder is (1) also licensed to operate a food establishment under Title 21, subtitle 3 of the Health-General Article and (2) obtains a Class B beer and wine license, a Class D beer and wine license, or an equivalent license as determined by the local licensing board. The bill repeals existing requirements for off-premises and on-premises consumption at a limited winery and extends the general hours of sale for on-premises consumption at a limited winery from 10:00 a.m. to 6:00 p.m. each day to 10:00 a.m. to 10:00 p.m. each day regardless of whether a planned promotional event takes place on the licensed premises. The bill also repeals a notice requirement for specified planned promotional events. Furthermore, the bill specifies that license holders may sell wine and pomace brandy for on-premises and off-premises consumption and alters a list of existing permitted foods that may be sold and served. **The bill takes effect July 1, 2023.**

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Fiscal Summary

**State Effect:** The bill is not anticipated to materially affect State operations or finances.

**Local Effect:** The bill is not anticipated to materially affect local government operations or finances.

**Small Business Effect:** Meaningful.

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## Analysis

**Current Law:** Generally, 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 determined by the Alcohol and Tobacco Commission and may not exceed \$200.

**Small Business Effect:** Revenues for small business Class 4 limited winery license holders may increase as a result of additional allowances authorized under the bill.

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## Additional Information

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** SB 322 (Senator Beidle, *et al.*) - Finance.

**Information Source(s):** Harford, Montgomery, and Talbot counties; Alcohol and Tobacco Commission; Maryland Department of Agriculture; Department of Legislative Services

**Fiscal Note History:** First Reader - February 15, 2023  
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