

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 746
Finance

(Senator Guzzone)

Appropriations

Winery and Vineyard Economic Development Grant Program - Modifications

This bill removes the September 15 application deadline and December 15 grant award deadline under the Winery and Vineyard Economic Development Grant Program in the Department of Commerce. The bill also modifies the period during which qualified capital expenses must be paid or incurred for purposes of calculating the grant amount. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: The bill is not anticipated to affect general fund expenditures associated with the program, as discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: Minimal. The bill makes the program moderately more flexible but does not affect overall funding for grants to small businesses.

Analysis

Current Law: Chapter 358 of 2022 established the Winery and Vineyard Economic Development Grant Program in Commerce. Under the program, Commerce must provide a grant to an individual or corporation for 25% of “qualified capital expenses” (as defined) made to either establish a new winery or vineyard or make capital improvements to an existing winery or a vineyard (as defined) in the State.

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 Commerce for a grant. Commerce must award the grants by December 15 each year.

For each fiscal year, the Governor must include in the annual budget bill an appropriation of at least \$1.0 million to Commerce to award grants under the program. The amount of grants annually approved by Commerce may not exceed the total appropriation for the program for that fiscal year. Fiscal 2024 is the first year of mandated funding.

State Expenditures: Commerce advises that, under the bill, the department intends to open applications early in the calendar year for expenses incurred in the previous calendar year and award grants before the end of the fiscal year. For example, fiscal 2025 applications will be due in early calendar 2025, based on calendar 2024 expenses, and Commerce will award grants before June 30, 2025. The process then repeats in subsequent fiscal years. Commerce anticipates that the program will be at full capacity beginning in fiscal 2025, with or without the bill, so general fund expenditures are not anticipated to be affected by the changes to the eligibility period for qualifying expenses.

Additional Information

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

Designated Cross File: HB 914 (Delegates D. Jones and Pippy) - Appropriations.

Information Source(s): Department of Commerce; Maryland Department of Agriculture; Department of Legislative Services

Fiscal Note History: First Reader - February 23, 2024
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Analysis by: Stephen M. Ross

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