

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 798 (Montgomery County Delegation)
Economic Matters

Montgomery County – Alcoholic Beverages – Class D Beer and Wine License –
Farm Breweries and Limited Wineries MC 17–24

This bill authorizes the Montgomery County Board of License Commissioners to issue one Class D beer and wine license to the holder of a Class 4 limited winery license *or* Class 8 farm brewery license to sell (1) products that the holder manufactures for on- and off-premises consumption and (2) manufactured by the holder of another Class 8 farm brewery license or Class 4 limited winery license, as specified. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: None.

Local Effect: Montgomery County revenues increase to the extent additional Class D beer and wine licenses are issued under the bill. Montgomery County can monitor any additional licenses using existing budgeted resources.

Small Business Effect: Minimal.

Analysis

Current Law: In Montgomery County, the holder of a Class D beer and wine license is authorized to sell beer and wine, at retail, at the place described in the license, for on- and off-premises consumption. The license may not be issued for use by a drugstore, and the annual license fee is \$400.

A Class 4 limited winery license may be issued by the Alcohol and Tobacco Commission (ATC). The holder of a Class 4 limited winery license may manufacture, sell, and serve fermented and distilled products for on- and off-premises consumption and provide samples of wine and pomace brandy that the license holder produces to a consumer, as specified. The annual license fee may not exceed \$200.

A Class 8 farm brewery license may be issued by ATC and generally authorizes the license holder to brew, bottle, or contract for up to 15,000 barrels of beer each year; however, that beer must be manufactured with an ingredient from a Maryland agricultural product, including hops, grain, and fruit, and produced on the licensed farm. The license holder may generally (1) sell the beer produced for on-premises consumption and (2) sell and deliver the beer to a licensed wholesaler or a person in another state authorized to acquire beer.

Generally, Chapter 594 of 2023 temporarily expanded the authorization of a Class 8 farm brewery to sell beer to individuals within the State, as specified, and authorized the sale of beer produced by the license holder for off-premises consumption through June 30, 2024. The annual license fee may not exceed \$200.

Local Fiscal Effect: As of February 2024, there were twelve Class 4 limited winery and seven Class 8 farm brewery alcoholic beverages licenses issued in Montgomery County. The annual license fee for a Class D beer and wine license is \$400, and there is an initial application fee of \$600 and an annual renewal fee of \$100. Therefore, Montgomery County revenues increase by \$1,000 in fiscal 2025 for each license issued and \$500 annually thereafter for each license renewal.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 239 of 2022.

Designated Cross File: None.

Information Source(s): Montgomery County; Alcohol, Tobacco, and Cannabis Commission; Department of Legislative Services

Fiscal Note History: First Reader - February 14, 2024
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