

PURPLE MAGNOLIA VINEYARD AND WINERY LLC

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February 17, 2021

Re: House Bill 1018, by Charles County Delegation

Dear Assembly:

I am writing in support of House Bill 1018 introduced by the Charles County Delegation on or about February 5, 2021 involving Class 4 Limited Winery Licenses as well as to provide additional explanation for the need and value of this Bill. House Bill 1018 makes a minor exception in Charles County to allow the holder of a retail liquor license to be eligible to hold a Class 4 Winery License. Class 4 winery licenses in Maryland are limited to farm or agricultural wineries on vineyards whereby the wine produced is made from grapes grown on that vineyard or by Maryland grapes. These vineyards and the associated wineries are important to agricultural tourism and to encourage the continuation of grape growing in the State.

Currently Maryland Alcohol Law 2-206 which establishes a class 4 limited winery license does not allow the holder of a retail license to obtain a Class 4 Limited Winery License. This restriction does not make sense. Most other states encourage the development of wineries and agritourism and allow the holders of small family owned farm wineries to also have a retail license. Moreover, the current law does have a exception which allows a small brewery (either a class 6 pub-brewery or a class 7 micro-brewery to also have a retail license. 2-206 (e). However, farm winery owners in Maryland cannot have any financial interest in a retail establishment.

Not only is this limitation on licensing harmful to the promotion of agritourism and the development of vineyards and wineries in the State and in Charles County in particular, but this restriction has a direct and harsh impact on me and my family's small business as well. As 26 year residents of Charles County we have purchased acreage and have been encouraging agriculture over the years. We have planted 10 acres of grapes and are planting additional grapes each year in order to promote agriculture instead of additional over development of housing communities and to keep the area which once full of farms semi-rural and agriculturally based. We have also been fortunate enough to have the opportunity to try to give back to the community. A few years ago we purchased a small building on Cobb Island and created a small family owned coffee and wine house (The Cove at Cobb Island) which, pre-pandemic, was a nice gathering spot for local community gatherings. The Cove at Cobb Island holds a license to serve alcohol and has a small eating and drinking area. We both own the building and the operator as a small family business. At the time we bought the property and created the coffee and wine bistro we did not know if would eventually preclude us from starting a winery on our vineyard which we had started planting years prior. This is a unique situation and likely does not affect many others as we are among the very first vineyards in Charles County as well as would be one of the first wineries. I should emphasize that both the vineyard and the coffee and wine house are family owned and managed businesses, as would the winery be if we are allowed to obtain that license as well. The Cove at

Cobb Island does hire local residents to work there and the winery would also provide employment for the local community.

Because that entire premise of a class 4 limited winery is that there are necessarily limitations on the type of winery production that would occur, I believe that this limited exception sought by the Bill inherently protects against any large scale winery production. However, I would also note that in 2015 the legislature did pass a bill in Montgomery County which provides some precedent here. Through House Bill 202 which was enacted in 2015 a Class D beer and wine license was exempted from the licensing limitation provided the producer not manufacture more than 20,000 gallons in a year. This Charles County specific exception for Class 4 Limited Wineries is no different from that Montgomery County specific exemption and no different from the exemption for small breweries.

I will be available at the proceedings on Friday, February 19th to answer any questions you may have. I hope you will consider this Bill seriously as it will promote agri-tourism, enable our family to continue to increase our small business presence in Charles County, increase employment and be good for the local economy to have a small winery in Charles County. I would also note that we have invested a substantial sum to develop the vineyard and winery property over the past years and look forward to being able to sell some wine and bring the community together.

Thank you for your time and consideration.

Bonnie Hochman Rothell

**Managing Member, Purple Magnolia
Vineyard and Winery LLC**