



BILL #: SB 594
TITLE: Winery and Vineyard Economic Development Program
COMMITTEE: Senate Budget and Tax Committee
DATE: February 23, 2022
CONTACT: Matthew Bohle
FOR: Maryland Wineries Association

The Maryland Wineries Association is writing in **strong support of Senate Bill 594**

The Winery and Vineyard Economic Development Grant Program would support the growth of Maryland Wineries, preservation of farmland and open space, as well as help to stimulate local economies and tourism. The program provides grants to businesses that incur qualified capital expenses made in connection with the establishment of new wineries or vineyards, or the capital improvements made to existing wineries or vineyards in Maryland.

The business may apply for a grant in an amount equal to but not more than 25% of incurred costs. The credit is equal to 25% of qualified capital expenses made in connection with the establishment of new wineries or vineyards, or capital improvements made to existing wineries or vineyards in Maryland.

There is a limit of \$1,000,000 for all wineries or vineyards that apply.

The grant program is being requested as a replacement for the tax credit program for wineries that expired last year. The tax credit program was initiated in 2013 to replicate a similar credit that is given by Virginia.

Since wineries have received support from the state in 2013 sales of Maryland wine have grown by over 100,000 gallons.

I think it important of the Committee to understand some of the implications of winery economic development. In 2016, the Department of Commerce estimated that the support for Maryland Wineries had contributed to retaining of over 400 jobs in grape growing and wine making and created another 46 new jobs beginning in 2013.

State support for Maryland wineries has been highly successful and has been a significant marketing point for MWA inreaching out and assisting new wineries. It also encourages existing wineries to improve and expand. This grant program will be of a crucial part of that effort.

Last, as we have seen during COVID, the importance of preserving open space and farmland is more important than ever, for both recreational activities and ensuring that our local agricultural is resilient and vibrant.

In summary The Maryland Wineries Association supports Senate Bill 594 and asks the Committee for a **favorable report**.