

Support of SB 594 - Winery and Vineyard Economic D

Uploaded by: Colby Ferguson

Position: FAV



Maryland Farm Bureau, Inc.

3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

February 23, 2022

To: Senate Budget & Taxation Committee

From: Maryland Farm Bureau, Inc.

Re: **Support of SB 594 - Winery and Vineyard Economic Development Grant Program**

On behalf of our member families, I submit this written testimony in support of SB 594. This bill establishes the Winery and Vineyard Economic Development Grant Program within the Department of Commerce and authorizes new and existing wineries and vineyards to receive a grant equal to 25% of the qualified capital expenses incurred in connection with establishing new wineries or vineyards or completing capital improvements at existing wineries and vineyards. It requires the Governor each year to include in the annual budget bill an appropriation of at least \$1,000,000 to be used for grants under the Program.

The wine industry is a very expensive Ag industry to get started in. The upfront cost to plant and cultivate a vineyard is more than \$10,000 per acre. Then add that the grape vines won't give you a viable crop until year 3, you see the necessity for up front assistance to get started. Many start small and find the cost up expand out ways their cash flow. So creating some assistance for those that are looking to expand, will go a long way in helping this small sector of the Ag industry continue to grow in Maryland.

MARYLAND FARM BUREAU SUPPORTS SB 594 AND REQUEST A FAVORABLE REPORT

A handwritten signature in black ink, appearing to read 'Colby Ferguson'.

Colby Ferguson
Director of Government Relations

For more information contact Colby Ferguson at (240) 578-0396

testimony - wineries.pages.pdf

Uploaded by: Jane Seigler

Position: FAV

Testimony of the Maryland Horse Council on
SB594 - Winery and Vineyard Economic Development Grant Program:
Favorable

Hearing before the Senate Budget and Taxation Committee,
February 23, 2022



The Maryland Horse Council (MHC) is a membership-based, umbrella trade association of the entire horse industry in Maryland. Our membership includes horse farms and stables, horse-related businesses, and horse owners, representing all facets of the Maryland equestrian community, from the owners of race horses to the owners of trail horses or just beloved retired companion horses. As such, we represent over 30,000 Marylanders.

MHC deeply appreciates the importance of value added agriculture to the viability and sustainability of small and family-owned farms. The ability to diversify by adding ag-based products and services to their operations not only is often critical to the economic success of the farm, but it also enhances appreciation and enjoyment by the general public. This enhanced appreciation pays dividends in future efforts to conserve farmland.

MHC has already been witness to the happy marriage of wineries, vineyards and other on-farm alcohol producers, with horse-keeping, on the farms of several of our members. SB 594 will provide an important tool to assist our members who want to add or expand a winery or vineyard in connection with their horse businesses.

We urge the Committee to give SB 594 a favorable report.

Respectfully submitted,

The Maryland Horse Council
844-634-6773

MARYLAND HORSE COUNCIL
PO BOX 606
LISBON, MD 21765

MWA Written testimony - SB 594.pdf

Uploaded by: Matthew Bohle

Position: FAV



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 in reaching 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**.

SB 594 Winery and Vineyard Eco Dev Grant Program (

Uploaded by: Barbara Wilkins

Position: INFO



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 594 Winery and Vineyard Economic Development Grant Program (Guzzone)

STATEMENT OF INFORMATION

DATE: February 23, 2022

COMMITTEE: Senate Budget & Taxation

SUMMARY OF BILL: SB 594 creates a Winery and Vineyard Economic Development Grant Program in the Department of Commerce, the purpose of which is to provide financial assistance to individuals and corporations to establish a new winery or vineyard or complete capital winery improvements at an existing winery or vineyard; and mandates an annual appropriation in the amount of \$1 million for grants.

EXPLANATION: The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the \$1 million mandated appropriation provision that impacts the FY 2024 budget and subsequent budgets.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which will require spending allocations for FY 2024 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2022.

Changes to the Maryland Constitution in 2020 provide the General Assembly with additional budgetary authority, beginning in the 2023 Session, to realign total spending by increasing and adding items to appropriations in the budget submitted by the Governor. The legislature's new budgetary power diminishes, if not negates, the need for mandated appropriation bills.

Fully funding the implementation of the Blueprint for Maryland's Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor's tax relief proposals.

Economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist, thereby impacting the Maryland economy. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary vulnerability. The Department continues to urge the General Assembly to focus on maintaining the structural budget surplus.

**For additional information, contact Barbara Wilkins at (410) 260-6371
or barbara.wilkins1@maryland.gov**

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