



ATCC

Alcohol, Tobacco, and Cannabis Commission

Wes Moore
Governor

Aruna K. Miller
Lt. Governor

Jeffrey A. Kelly
Executive Director

February 19, 2024

BILL: HB1083 – Alcoholic Beverages - Class 4 Limited Winery License - Requirements and Authorizations
COMMITTEE: Economic Matters
POSITION: Letter of Information

Hon. C.T. Wilson, Chair and Members of the Economic Matters Committee:

I write on behalf of the Alcohol, Tobacco, and Cannabis Commission (ATCC) to provide a Letter of Information on **HB1083 – Alcoholic Beverages - Class 4 Limited Winery License - Requirements and Authorizations**

HB1083 seeks to allow the holder of a Class 4 Limited Winery License to do three things: (1) Own or have under contract at least 20 acres of “Maryland Agricultural Products” instead of “grapes or other fruit “grown in the State; or (2) Allow the licensee to use up to 51% ingredients used for the production of wine to come from “Maryland-Grown Agricultural Products;” and (3) Allow a license holder to purchase finished wine made entirely of “Maryland Agricultural Products” and sell that wine as his or her own.

HB1083 would broaden the ability of Class 4 Limited Winery license holders to grow, produce, and/or purchase “Maryland Agricultural Products” to use for winemaking, instead of relying on just “grapes and fruit” grown in the State. In addition, this bill would allow a Class 4 Limited Winery license holder to purchase finished wine from another Maryland manufacturer if the wine or pomace brandy is made from “Maryland Agricultural Products.”

First, the ATCC would like to see one term used concerning the type of product being substituted for “grapes or other fruits” This bill currently uses “Maryland Agricultural Product” and “Maryland-Grown Agricultural Product.” After discussing this matter with representative, who is working with the sponsor of HB1083, from the Maryland Wineries Association (MWA) and Maryland Department of Agriculture, it is the understanding of the ATCC that an amendment is to be issued that settles on the term “Maryland-Grown Agricultural Product.” The ATCC appreciates such a clarification.

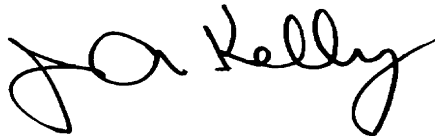
As to the definition of a “Maryland-Grown Agricultural Product,” the ATCC thinks it most appropriate if there were language placed in the bill that required the Maryland Department of Agriculture (MDA) to establish a definition for the term. As the MDA’s mission is “to protect consumers, preserve the environment, and promote Maryland agriculture,” that agency is most appropriately suited to define the term.

Second, the ATCC would also like clarification concerning the ability of a Class 4 Limited Winery license holder to purchase fully finished product (wine is manufactured and bottled) from another Maryland Manufacturer. The ATCC's understands the Maryland Wine Association's desire for more flexibility related to the amount of wine that Class 4 Limited Wineries can produce and sell but wishes to ensure the manufacturing licensees continue to directly manufacture alcoholic beverages. We have been informed that the MWA is going to be introducing language that clarifies their position on this matter. The ATCC looks forward to seeing such an amendment.

To that end, the ATCC submits a Letter of Information on **HB1083 – Alcoholic Beverages - Class 4 Limited Winery License - Requirements and Authorizations** to highlight its concerns with this piece of legislation as currently drafted.

I look forward to answering any questions or concerns that you have regarding this matter.

Sincerely,

A handwritten signature in black ink that reads "JA Kelly". The signature is written in a cursive, flowing style.

Jeffrey A. Kelly
Executive Director