

Pruski_Testimony HB1083 FAV.pdf

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Position: FAV



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB1083

Testimony by Delegate Andrew Pruski
February 19, 2024 – Economic Matters Committee

What the Bill Does:

This bill is designed to alter certain cultivation or production requirements that apply to holders of a Class 4 limited winery license by basing them on Maryland grown agricultural products, rather than just grapes or other fruits as defined by the Federal Alcohol Tobacco Tax and Trade Bureau. Honey would be a prime example of an agricultural product that would be now included.

Why the Bill is Important:

The clarification of grapes or other fruit to Maryland-grown agricultural products, as defined by the Federal Alcohol Tobacco Tax and Trade Bureau, is inclusive of other products such as honey, benefitting Maryland farmers and growers. This expands the use of other Maryland grown commodities into wine making as well as the cultivation basis for winemakers.

A proposed change will also allow the purchase of bulk wine made of Maryland grown agricultural products by license holders. This will support wineries in Maryland that have limited production capacity to buy wine throughout the year from larger wineries that have the ability to produce a large quality of wine at harvest time. Furthermore, creates a marketplace for grape growers to sell excess agricultural products such as grapes or fruit to licensed holders. This will conserve resources, prevent agricultural waste, as well as stimulate more product to be created by Maryland wineries from Maryland grown agricultural products.

The process wineries go through is unpredictable as crop yield and consumers are constantly changing. These proposed alterations support Maryland small businesses, such as the growers and producers, by allowing them to work together through uncertain circumstances to make Maryland wineries more efficient. This bill furthers the success of Maryland wineries which benefits the economy as well as Maryland's agricultural base.

Why the Committee Should Vote Favorably:

Maryland has over 100 wineries and grapes are one of the most produced crops in the state. HB1083 will support the many Maryland wineries by permitting collaboration between each step in the winemaking process to produce quality goods made from Maryland grown agricultural products. **On behalf of Maryland wineries, we urge a favorable report on HB1083.**

HB 1308 LETTER OF SUPPORT .docx.pdf

Uploaded by: Rachel Jones

Position: FWA



Maryland Department of Agriculture

Office of the Secretary

Wes Moore, Governor

Aruna Miller, Lt. Governor

Kevin M. Atticks, Acting Secretary

Steven A. Connelly, Deputy Secretary

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Maryland Department of Agriculture

Legislative Comment

Date: February 19, 2024

BILL NUMBER: HB 1083/SB 1001

SHORT TITLE: Alcoholic Beverages – Class 4 Limited Winery License – Requirements and Authorizations

MDA POSITION: SUPPORT

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.”

The MDA supports the expansion of the license holder’s ability to grow products beyond grapes and fruit. This would include products like honey, dandelions, onions, and other non-grain products. Allowing for the production and sale of honey wine, etc. The bill would more deeply root on-farm alcohol producers in Maryland Agriculture and boost the economic viability of the industry.

The MDA in conjunction with the Maryland Alcohol, Tobacco, and Cannabis Commission (ATCC) are in agreement with clarifying the bill language to be consistent in the use of “Maryland Grown Agricultural Products” as opposed to “Maryland Agricultural Products.” Additionally, The MDA concurs with the Maryland ATCC on the proposed amendment to require the MDA to establish a definition for the term “Maryland Grown Agricultural Product”.

The Maryland Department of Agriculture supports this legislation and respectfully requests the Committee's consideration of a favorable report.

If you have additional questions, please contact Rachel Jones, Director of Government Relations at Rachel.Jones2@maryland.gov or (410) 841-5886.

HB1083 - Class 4 Limited Winery License - Requirem

Uploaded by: Alcohol, Tobacco, and Cannabis Administration Thomas Akras

Position: INFO



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.

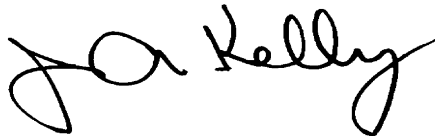
As to the definition of a “Maryland-Grown Agricultural Product,” the ATCC thinks it most appropriate if there were language placed in the bill that required the Maryland Department of Agriculture (MDA) to establish a definition for the term. As the MDA’s mission is “to protect consumers, preserve the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