

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

House Bill 212

(Delegate Hershey, *et al.*)

Economic Matters

Education, Health, and Environmental Affairs

Alcoholic Beverages - Cecil and Queen Anne's Counties - Beer and Wine Festivals

This bill increases the number of beer and wine festivals (BWF) authorized in Queen Anne's County in which special BWF licenses are issued by the Queen Anne's County Board of License Commissioners from the present one weekend annually, Friday through Sunday inclusive, to a maximum of four weekends annually. Additionally, the bill increases the number of wine festivals (WF) authorized in Cecil County in which special WF licenses are issued by the Cecil County Liquor Board from the present one weekend annually to a maximum of three weekends annually.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: None.

Local Effect: Queen Anne's County revenues will increase by approximately \$2,000 annually from additional license fees generated by the three additional BWF events beginning in FY 2014. Cecil County revenues will increase by approximately \$500 annually from additional license and application fees generated by the two additional WF events beginning in FY 2014.

Small Business Effect: Potential meaningful.

Analysis

Current Law:

Queen Anne's County

The Queen Anne's County Board of License Commissioners is authorized to issue, regulate, and set the license fees of special BWF licenses for a festival held one weekend a year, Friday through Sunday inclusive, at a location in the county chosen by the board. The primary focus of the festival must be the promotion of Maryland beer and wine, and it cannot take place within 14 days on either side of the Maryland Wine Festival.

The special BWF licensee must be a holder of an existing State retail alcoholic beverages license, a State Class 3 winery license, or a State Class 4 limited winery license. A licensee is permitted to display and sell wine that is manufactured and processed in any state, price filed in accordance with the Comptroller's regulations, and distributed in Maryland at the time the application is filed. A licensee is permitted to display and sell beer that is brewed by a brewer who brews less than 60,000 barrels of beer annually and whose product is distributed in Maryland at the time the application is filed.

The licensee may display and sell beer and wine at retail for consumption on or off the licensed premises and display and sell wine at retail that is manufactured and processed in any state for consumption off the licensed premises on the days and for the hours designated for the BWF.

All products that are displayed and sold at the BWF must be invoiced to the BWF licensee by a licensed State wholesaler, winery, or limited winery who must deliver the products to the BWF licensee directly from their licensed premises up to two days prior to the effective date of the BWF license. The beer and wine products must be accepted for return by the wholesaler, winery, or limited winery up to two days after the expiration date of the license.

A holder of a BWF license is not prohibited from holding another alcoholic beverages license of a different class or nature.

Cecil County

The Cecil County Liquor Board is authorized to issue a special WF license and designate one weekend annually on which to hold the festival. The special WF licensee must be a holder of an existing State retail alcoholic beverages license, a State Class 3 winery license, or a State Class 4 winery license. The primary focus of the festival must be the promotion of Maryland wine. The license holder may only display and sell wine that is price filed in accordance with regulations adopted by the Comptroller and distributed in

the State. The wine must be sold at retail and may be consumed on or off the licensed premises during the days and hours designated for the festival.

The board is authorized to choose one weekend annually during the months of June, July, August, or September for the festival, which must not conflict with the Anne Arundel County Beer and Wine Festival, the Cumberland and Shenandoah Valley Wine Festival, or the Maryland Wine Festival. The festival must be held at a location that does not have a liquor license.

Background: The current special BWF license fee is \$50 in Queen Anne's County. Queen Anne's County advises that approximately 13 wineries have participated in past annual festivals which were held just one weekend a year.

The current special WF license fee is \$20 and the application fee is \$250 in Cecil County. Cecil County advises that one WF license was issued in 2012.

Local Revenues: Queen Anne's County advises if the BWF is expanded from the current one annual event to four events, the potential revenue increase from additional license fees would be approximately \$2,000 per year, beginning in fiscal 2014.

By increasing the number of WF events from the current one annual event to three events in Cecil County, the potential revenue increase from two additional license and application fees would be approximately \$540 per year, beginning in fiscal 2014.

Additional Information

Prior Introductions: A similar bill, HB 716 of 2012, passed the House and received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken.

Cross File: SB 49 (Senator Pipkin) - Education, Health, and Environmental Affairs.

Information Source(s): Cecil and Queen Anne's counties, Department of Legislative Services

Fiscal Note History: First Reader - January 28, 2013
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