

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 739

(Delegate Barkley)

Economic Matters

Education, Health, and Environmental Affairs

Alcoholic Beverages - Nonprofit Beer Festival Permit - Revisions

This bill increases from one ounce to four ounces the maximum amount of beer that a nonprofit beer festival permit holder may provide to a consumer to sample. A person must submit an application for a nonprofit beer festival permit to the Comptroller, instead of the local licensing board, and provide the Comptroller, not the local licensing board, a list of brewing company off-site permit holders that will attend the festival. The bill clarifies the nonprofit organizations that are eligible for the permit.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: General fund revenues increase by \$100 annually for each nonprofit beer festival permit issued in the State beginning in FY 2017. The Comptroller’s Office incurs a one-time expenditure increase of \$38,200 in FY 2017 to change forms and make information technology programming changes.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
GF Revenue	-	-	-	-	-
GF Expenditure	\$38,200	\$0	\$0	\$0	\$0
Net Effect	(\$38,200)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local revenues decrease by \$100 for each nonprofit beer festival permit no longer issued by the local licensing board beginning in FY 2017. There have not been many nonprofit beer festival permits issued though, so local revenues only decrease by a minimal amount. No effect on expenditures.

Small Business Effect: None.

Analysis

Current Law: A local licensing board may issue a nonprofit beer festival permit to nonprofit organizations that meet specified requirements. A nonprofit beer festival permit authorizes the permit holder to conduct a nonprofit beer festival for one to three consecutive days. The permit holder may purchase beer at wholesale to provide to a consumer a sample not to exceed one fluid ounce for each brand and to sell to a consumer for on- and off-premises consumption. The permit holder must provide space at a nonprofit beer festival for brewing company off-site permit holders. The brewing company off-site permit holder may provide beer to a consumer in the same manner as a nonprofit beer festival permit holder. The nonprofit beer festival permit holder may provide or sell only beer provided by the permit holder or a brewing company off-site permit holder. Two agents, one of whom may be the permit holder, who are certified by an approved alcohol awareness program, must be present at all times during the nonprofit beer festival. A person must submit a permit application to the local licensing board and provide specified information to the local licensing board. The permit fee is \$100.

State Revenues: General fund revenues from permit fees increase by \$100 annually for each nonprofit beer festival permit issued by the Comptroller. The Department of Legislative Services estimates that less than 10 permits are issued annually.

State Expenditures: The Comptroller's Office incurs a one-time expenditure increase of \$38,200 in fiscal 2017 to change forms and make information technology programming changes. The Comptroller's Office advises it would need a revenue specialist to process new nonprofit beer festival permits. However, since only a few nonprofit beer festival permits have been issued by local jurisdictions, the Comptroller's Office can likely issue new permits with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Charles, Frederick, Montgomery, and Somerset counties; Comptroller's Office; Department of Legislative Services

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min/hlb

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