

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 171 (Montgomery County Delegation)
Economic Matters

Montgomery County - Beer and Wine Licenses - Shochu and Soju
MC 20-18

This bill expressly authorizes the sale of shochu and soju by a licensee in Montgomery County if his or her license authorizes the sale of wine. The shochu and soju may be sold under the same terms and conditions that apply to the sale of wine. The bill also excludes shochu and soju from an existing prohibition against selling alcoholic beverages under a beer and wine license in Montgomery County if the beverages contain more than 22% alcohol by volume. Instead, shochu and soju may be sold if the beverages contain up to 24% alcohol by volume. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: The bill does not directly affect State operations or finances.

Local Effect: The bill does not materially affect Montgomery County operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill defines “shochu” as a Japanese alcoholic beverage that contains up to 24% alcohol by volume and is derived from agricultural products. “Soju” is defined as a Korean alcoholic beverage that contains up to 24% alcohol by volume and is derived from agricultural products. Therefore, under the bill, the holder of a beer and wine license in Montgomery County may sell shochu and soju that is up to 24% alcohol by volume.

Current Law/Background: In Montgomery County, an alcoholic beverages licensee can only sell wine if he or she obtains a (1) beer and wine license or (2) beer, wine, and liquor license. The holder of a beer and wine license may only sell alcoholic beverages that contain up to 22% alcohol by volume. The prohibition includes naturally fermented or fortified wine. Due to this prohibition, the holder of a beer and wine license in the county cannot currently sell shochu and soju that is over 22% alcohol by volume. In fiscal 2017, there were 311 beer and wine licenses and 594 beer, wine, and liquor licenses issued for use in the county.

Shochu is a common type of distilled alcoholic beverage traditionally produced in Japan. It is often distilled from rice, barley, sweet potatoes, buckwheat, or brown sugar and may contain other ingredients such as chestnut, sesame seeds, and carrots. Soju is a common type of distilled alcoholic beverage traditionally produced in South Korea. It is often distilled from rice, wheat, barley, potatoes, sweet potatoes, or tapioca.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Montgomery County; Comptroller's Office; Department of Legislative Services

Fiscal Note History: First Reader - January 30, 2018
nb/tso

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