

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 311 (Washington County Delegation)
Economic Matters

Washington County - Alcoholic Beverages Licenses - Class 3 Winery

This bill authorizes the Washington County Board of License Commissioners to issue a Class D beer and wine license to a holder of a Class 3 winery license that (1) held a Class 4 limited winery license prior to May 31, 2018, and (2) produces less than 30,000 gallons annually. The holder may sell only wine that the holder produces under its own label for on- and off-premises consumption. The license may not be transferred to another owner or for use on any other premises. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: None.

Local Effect: Washington County revenues increase for each Class D license and Sunday permit issued under the bill, beginning in FY 2023. Washington County operations or expenditures are not materially affected.

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law:

Class D Beer and Light Wine Licenses

Currently, in Washington County, there is a Class D beer and *light* wine license that authorizes a license holder to sell beer and light wine at retail, at the place described in the license, for on- and off-premises consumption. Light wine in Washington County is wine

that contains up to 15.5% alcohol by volume. The license may not be issued for use by a drugstore. The annual license fee is \$150, and the fee for a Sunday permit is \$250.

Class 3 Winery License

Under § 2-205 of the Alcoholic Beverages Article, a Class 3 winery license authorizes the sale and production of wine, as well as the importing of bulk wine from out-of-state. The winery may also provide samples to visitors at the winery and directly sell up to one quart of wine at retail to each individual each year.

Additional Comments: As noted above, the bill authorizes the board to issue a Class D beer and wine license to a holder of a Class 3 winery license, as specified. Under current law, there is no Class D beer and wine license in Washington County. However, House Bill 1106 of 2022 would replace the Class D beer and light wine license currently authorized in Washington County with a Class D beer and wine license; that separate legislation would also take effect July 1, 2022. This fiscal and policy note assumes that provisions relating to a Class D beer and light wine license become applicable to a Class D beer and wine license.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 17, 2022
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