

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 232
Economic Matters

(Montgomery County Delegation)

Education, Health, and Environmental Affairs

Montgomery County - Alcoholic Beverages - Class B Beer, Wine, and Liquor
(Clubhouse/Lodge) License - Manufacturer's Licenses
MC 23-22

This bill authorizes the issuance of Class 4 limited winery and Class 7 micro-brewery alcoholic beverages manufacturer's licenses to holders of a Class B-BWL (clubhouse/lodge) license in Montgomery County, as specified. The bill also makes technical corrections so that obsolete references to the previous authority of the Comptroller are updated to reference the authority of the Alcohol and Tobacco Commission (ATC). **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: General fund revenues increase by up to \$200 annually for each Class 4 limited winery license and by up to \$500 annually for each Class 7 micro-brewery license issued under the bill beginning in FY 2023. ATC can monitor additional licenses using existing resources.

Local Effect: None.

Small Business Effect: Minimal overall, but potentially meaningful for small businesses that obtain a Class 4 limited winery license or a Class 7 micro-brewery license under the bill.

Analysis

Bill Summary: The holder of a class B-BWL (clubhouse/lodge) license in Montgomery County that obtains a Class 4 limited winery license is authorized to sell and

serve the fermented and distilled products that the holder manufactures for on- and off-premises consumption. The license holder is exempt from (1) specified limitations in the types of foods that can be served at the winery; (2) the prohibition against acting as a caterer; and (3) the requirement to inform ATC when participating in specified events.

Current Law:

Montgomery County Class B-BWL (Clubhouse/Lodge) License

The Montgomery County Board of License Commissioners is authorized to issue a Class B-BWL (clubhouse/lodge) license to the executive director of the Montgomery County Revenue Authority or the designee of the executive director, for use by a multiuse facility that has a golf course, a restaurant, a clubhouse, a tasting bar, and the catering of events anywhere on the property. The Class B-BWL (clubhouse/lodge) license authorizes the license holder to:

- sell beer and wine for off-premises consumption.
- sell beer, wine, and liquor for on-premises consumption; and
- offer samples of alcoholic beverages at no charge or for a fee.

Specified requirements regarding the ratio of food and alcohol sales of a Class B beer, wine, and liquor license in Montgomery County do not apply to a Class B-BWL (clubhouse/lodge) license holder.

Class 4 Limited Winery License

The holder of a Class 4 limited winery license may manufacture, sell, and serve fermented and distilled products for on- and off-premises consumption and provide samples of wine and pomace brandy that the license holder produces to a consumer, as specified. The annual license fee may not exceed \$200.

Class 7 Micro-brewery License

A Class 7 micro-brewery license is issued by ATC, and the annual license fee may not exceed \$500. The license holder may collectively brew, bottle, or contract for up to 45,000 barrels of beer each calendar year, and up to 5,000 of those barrels may be sold for on-premises consumption each year, as specified.

Class 7 micro-brewery (on- and off-sale) licenses in the county may be issued to the holder of (1) a Class B BWL (on-sale) license that is issued for use on the premises of a restaurant located in the county; (2) a Class D beer and wine license that is issued for the sale of beer and wine, at retail, at the place described in the license, for on- and off-sale premises

consumption, as specified; (3) a Class H beer and wine license that is issued for the sale of beer and wine at a hotel or restaurant, at retail, at the place described in the license, for on-premises consumption; or (4) a Class BD-BWL license that is issued for the sale of beer and wine for on- and off-premises consumption, and liquor for on-premises consumption, at the place described in the license.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Alcohol and Tobacco Commission; Montgomery County; Department of Legislative Services

Fiscal Note History: First Reader - February 14, 2022
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