

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1123 (Worcester County Delegation)
Economic Matters

Worcester County - Alcoholic Beverages - Class L License

This bill establishes the Class L beer, wine, and liquor (BWL) license in Worcester County. The bill authorizes the Worcester County Board of License Commissioners to issue the license to the holder of a manufacturer's license. The license authorizes the holder, for on-premises consumption, to (1) sell beer, wine, and liquor produced by the holder or another holder of a manufacturer's license and (2) provide a sample of the beer, wine, or liquor at no cost. The hours of sale for a Class L BWL license are the same as those for the underlying manufacturer's license. The annual license fee is \$250. **The bill takes effect June 1, 2022.**

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances.

Local Effect: Worcester County revenues increase to the extent that Class L licenses are issued under the bill. The county can monitor any additional licenses using existing budgeted resources.

Small Business Effect: Minimal overall, but potential meaningful for any manufacturer that is able to realize additional sales under the bill.

Analysis

Current Law: In Maryland, the Alcohol and Tobacco Commission issues alcoholic beverages manufacturer's and wholesaler's licenses, while the boards of license commissioners in each county and the cities of Baltimore and Annapolis are responsible

for issuing retail alcoholic beverages licenses. In general, each class of manufacturer's license designates the days of operations, time limits, and any other restrictions for the sale of alcoholic beverages under the license.

The following types of manufacturer's licenses are issued in the State: (1) Class 1 distillery license; (2) Class 2 rectifying license; (3) Class 3 winery license; (4) Class 4 limited winery license; (5) Class 5 brewery license; (6) Class 6 pub-brewery license; (7) Class 7 micro-brewery license; (8) Class 8 farm brewery license; or (9) Class 9 limited distillery license.

Local Fiscal Effect: Although the bill's effective date would authorize the board to begin issuing Class L licenses in fiscal 2022, Worcester County advises it generally takes longer than 30 days to apply for and then receive an alcoholic beverages license in the county. Therefore, this estimate assumes any fiscal effect will occur beginning in fiscal 2023.

Worcester County advises there are two holders of manufacturer's licenses interested in applying for the Class L license. The annual license fee for a Class L license is \$250, and there is an initial application fee of \$685 and an annual renewal fee of \$175. Therefore, Worcester County revenues increase by \$935 in fiscal 2023 for each new license issued and \$425 annually thereafter for each license renewal.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 351 (Senator Carozza) - Education, Health, and Environmental Affairs.

Information Source(s): Worcester County; Department of Legislative Services

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Analysis by: Thomas S. Elder

Direct Inquiries to:

(410) 946-5510

(301) 970-5510