

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 239 (Montgomery County Delegation)
Economic Matters

Montgomery County – Alcoholic Beverages – Class D Beer and Wine License –
Farm Breweries and Limited Wineries MC 21–22

This bill authorizes the Montgomery County Board of License Commissioners to issue one Class D beer and wine license to the holder of a Class 8 farm brewery license *or* a Class 4 limited winery license to sell (1) products that the holder manufactures for on- and off-premises consumption and (2) manufactured by the holder of another Class 8 farm brewery license or Class 4 limited winery license, as specified. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: None.

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

Small Business Effect: Minimal overall, but potentially meaningful for farm breweries and wineries that are able to realize additional sales under the bill.

Analysis

Current Law: In Montgomery County, the holder of a Class D beer and wine license is authorized to sell beer and wine, at retail, at the place described in the license, for on- and off-premises consumption. The license may not be issued for use by a drugstore, and the annual license fee is \$400.

A Class 4 limited winery license may be issued by the Alcohol and Tobacco Commission (ATC). 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.

A Class 8 farm brewery license may be issued by ATC and generally authorizes the license holder to brew, bottle, or contract for up to 15,000 barrels of beer each year; however, that beer must be manufactured with an ingredient from a Maryland agricultural product, including hops, grain, and fruit, and produced on the licensed farm. The license holder may generally (1) sell the beer produced for on-premises consumption and (2) sell and deliver the beer to a licensed wholesaler or a person in another state authorized to acquire beer. Chapters 359 and 360 of 2021 temporarily expanded the authorization of a Class 8 farm brewery to sell beer to individuals within the State, as specified, and authorized the sale of beer produced by the license holder for off-premises consumption through December 31, 2022. The annual license fee may not exceed \$200.

Local Fiscal Effect: As of December 2021, there were four Class 4 limited winery and four Class 8 farm brewery alcoholic beverages licenses issued for use in the county. The annual license fee for a Class D beer and wine license is \$400, and there is an initial application fee of \$600 and an annual renewal fee of \$100. Therefore, Montgomery County revenues increase by \$1,000 in fiscal 2023 for each license issued and \$500 annually thereafter for each license renewal.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 4, 2022
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