

**Department of Legislative Services**  
Maryland General Assembly  
2024 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 1001  
Finance

(Senator Beidle)

Economic Matters

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**Alcoholic Beverages - Class 4 Limited Winery License - Requirements and Authorizations**

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This bill alters cultivation and production requirements applicable to holders of Class 4 limited winery licenses by requiring certain agricultural products to be grown in Maryland, as specified. The bill also alters the standards for the purchase of specific wine by a license holder and requires the finished wine being purchased by the license holder to be made entirely of Maryland agricultural products fermented by a licensed manufacturer. **The bill takes effect July 1, 2024.**

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**Fiscal Summary**

**State Effect:** The bill is not anticipated to materially affect State revenues or expenditures.

**Local Effect:** The bill is not anticipated to materially affect local government operations or finances.

**Small Business Effect:** Meaningful.

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**Analysis**

**Bill Summary/Current Law:** “Maryland-grown agricultural product” means any product produced or cultivated on a farm or vineyard in the State. However, it does not include (1) cannabis or (2) any other product containing tetrahydrocannabinol (known as THC), as defined under the Alcoholic Beverages and Cannabis Article.

A Class 4 limited winery license may be issued by the Executive Director of the Alcohol, Tobacco, and Cannabis Commission and authorizes the sale and sampling of wine and pomace brandy produced by the license holder for consumption.

Chapter 542 of 2018 required the holder of a Class 4 limited winery license to (1) own or have under contract at least 20 acres of grapes or other fruit in cultivation in the State for use in the production of wine or (2) if less than 20 acres are owned or under contract, ensure that at least 51% of the ingredients used in the annual production of wine are grapes or other fruit grown in the State. The bill alters the specific requirement for “grapes or other fruit in cultivation in the State” to instead require Maryland-grown agricultural products.

Furthermore, a Class 4 license holder may (1) sell or serve specified types of food; (2) distill and bottle up to 1,900 gallons of pomace brandy made from available Maryland agricultural products; (3) purchase bulk wine and pomace brandy in a specified manner (the bill alters this provision to instead allow a license holder to purchase finished wine that was made entirely of Maryland agricultural products); (4) import, export, and transport its product; (5) store the product of other Class 4 limited wineries in a specified manner; and (6) produce wine and pomace brandy at a warehouse for which the license holder has been issued an individual storage permit if specified conditions are met. A Class 4 limited winery may only be located at the place stated on the license. Throughout the winemaking process, the licensee must maintain ownership of the wine or pomace brandy and ensure it returns to the location of the limited winery. The annual license fee is \$200.

**Small Business Effect:** The bill’s potentially stricter requirements for Class 4 limited wineries may prohibit some licensees or potential licensees from renewing or obtaining a license.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 1083 (Delegate Pruski) - Economic Matters.

**Information Source(s):** Alcohol, Tobacco, and Cannabis Commission; Maryland Department of Agriculture; Department of Legislative Services

**Fiscal Note History:** First Reader - February 16, 2024  
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