



**MWA, BAM & MDG  
SUPPORT FOR HB854/SB698**

**BILL SUMMARY:**

1. Expands the existing “Wine and Grape Promotion Fund” to create the “Maryland Alcohol Manufacturing Promotion Fund” to incorporate the Maryland Brewing Industry and the Maryland Distilling Industry.
2. Expands the existing “Governors Commission on Wine and Grape Growing” to create the “Advisory Commission on Maryland Alcohol Manufacturing” to incorporate the Maryland Brewing Industry and the Maryland Distilling Industry.
3. Shifts both the Fund and the Commission from the Department of Agriculture over to the Department of Commerce.
4. The Fund is filled and replenished annually with the excise tax collected from Maryland alcohol manufacturers (consistent with how the existing Wine and Grape Promotion Fund is funded by the excise tax collected from Maryland wineries).
5. The Fund will be utilized for grants to non-profits and government agencies in order to:
  - ✓ Foster the creation and expansion of state breweries, distilleries, and wineries;
  - ✓ Attract new visitors to state breweries, distilleries, and wineries;
  - ✓ Encourage and create incentives for special events to promote state breweries, distilleries, and wineries;
  - ✓ Educate the public about alcohol manufacturing in the state, especially the history of the industry;
  - ✓ Conduct research on, develop incentives for, and promote the growth of state agricultural products used in state manufactured beer, wine, and spirits; or
  - ✓ Support the expansion of minority ownership and participation in the operation of state breweries, distilleries, and wineries.

**RATIONALE:** The Maryland alcohol manufacturing industry has been – and continues to be – an incredible asset to the state and local economies. Over the last three decades we have seen our industry go from fledgling to thriving. Now consisting of 253 breweries, distillers, and wineries throughout Maryland, these small Maryland businesses employ 2,558 Marylanders and indirectly support approximately 31,500 jobs and \$909.7 million in economic activity.

HB854/SB698 is a measure that has been long overdue. By expanding the existing Wine and Grape Promotion Fund to incorporate the breweries and distilleries in a newly established “Maryland Alcohol Manufacturing Promotion Fund”, the state can now put an emphasis on promoting this unique manufacturing industry that also invests heavily in value-add agriculture. Additionally, by shifting the Fund and the Commission over to the Department of Commerce is a prudent path forward given the Department’s expertise in marketing and promoting Maryland businesses – go to along with their focus on tourism.

No different than our neighboring states of Virginia and Pennsylvania – which have both made significant financial commitments to promote their in-state manufacturing industry – we believe this Fund will continue to enhance, stabilize, and ultimately grow Maryland’s alcohol manufacturing industry in any number of ways now and in the future. **While this will not repair the devastating impact of COVID-19 on these small Maryland manufacturing businesses, it certainly provides a vital step for the industry recovery as we attempt to lay the foundation for the next decade for the industry.**

**We thank you in advance for your consideration and respectfully request a Favorable Report on HB854/SB698.**

Sincerely,

Kimberly T. Johnson  
President of MWA  
Philosophy Winery

Brett Snyder  
President of BAM  
Waredaca Brewing

Brian Treacy  
President of MDG  
Sagamore Spirit