

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1450

(Delegate V. Clagett, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

**Agriculture - Maryland Wine and Grape Promotion Fund and Council -
 Establishment**

This bill establishes a Maryland Wine and Grape Promotion Fund, as a special nonlapsing fund in the Maryland Department of Agriculture (MDA), to provide grants to nongovernmental organizations and to conduct other activities for promotional purposes. The bill specifies that funding consists of money appropriated in the State budget and any other money accepted for the fund's benefit. The uses of the fund are limited to purposes related to the production and consumption of Maryland wine and the production of grapes in the State. MDA is authorized to deduct up to 2% of proceeds paid into the fund for administrative purposes. The bill requires that the Board of Public Works approve grant awards from the fund. Finally, the bill establishes a Maryland Wine and Grape Promotion Council consisting of the Secretary of Agriculture, the Secretary of Business and Economic Development, and the Secretary of Budget and Management.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: The FY 2006 budget includes \$100,000 general funds to promote and foster the wine and grape growing industry. It is assumed that an equivalent amount would be provided in future years and that the funds would be used for promotional activities and grants.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	100,000	100,000	100,000	100,000	100,000
Net Effect	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: There is no Maryland Wine and Grape Promotion Fund, and there is no Maryland Wine and Grape Promotion Council. However, a nine-member Maryland Winery and Grape Growers' Advisory Board in MDA is responsible for advising and recommending to the Secretary of Agriculture the allocation of funds to projects regarding viticulture and enological practices and promotion, marketing, and education programs deemed necessary or advisable and evaluating the funding options available to the wine industry.

Background: Maryland has 15 wineries and may soon have additional wineries. Sales of Maryland wine have increased in recent years. Gallonage increased by 13.18% between fiscal 2003 and 2004.

Additional Information

Prior Introductions: None.

Cross File: SB 566 (Senator Munson) – Education, Health, and Environmental Affairs.

Information Source(s): Maryland Department of Agriculture, Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2005
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