

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1340
Economic Matters

(Delegate Anderton)

Finance

Wicomico County - Alcoholic Beverages - Monopoly of Liquor Control Board
and Dispensary - Repeal

This bill, in Wicomico County, repeals the monopoly of the Liquor Control Board and its dispensary system for the sale and distribution of specified wine and liquor in the county. The bill (1) authorizes the holder of a Class A, B, C, or D license to purchase alcoholic beverages from a dispensary or a wholesaler; (2) repeals the prohibition for a holder of a Class 1 beer, wine, and liquor (BWL) or a Class 2 wine and liquor wholesaler's license to sell or deliver liquor in the county for resale, as specified; and (3) makes conforming changes. **The bill takes effect July 1, 2024.**

Fiscal Summary

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

Local Effect: Wicomico County can handle any enforcement activity with existing resources. Wicomico County revenues decrease to the extent holders of specified licenses in the county choose to purchase wine and liquor through a wholesaler rather than through the county dispensary system. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Meaningful.

Analysis

Current Law: The Wicomico County Liquor Control Board has a monopoly in the county on the sale and distribution of liquor and of wine that contains more than 15.5% alcohol by volume through dispensaries.

Generally, in Wicomico County, the holder of an alcoholic beverages license must purchase alcohol for retail sale from the dispensary. A holder of a Class 1 BWL or Class 2 wine and liquor wholesaler's license may not sell or deliver liquor in Wicomico County for resale except to a county dispensary.

A dispensary must sell liquor at wholesale to a beer, wine, and liquor license holder (1) for a Class A, B, or C license, at a markup not exceeding 15% above the operating cost to the dispensary, or (2) for a class D license, at a markup not exceeding 15% above the wholesale cost to the dispensary. The liquor control board may hold wine tasting and sampling promotional events in dispensaries, as specified. In addition, a dispensary may also sell chilled and nonchilled beer, wine, liquor, ice, or bottled water.

Local Revenues: Wicomico County revenues decrease to the extent the holders of Class A, B, C, and D licenses in the county choose to procure their specified alcoholic beverages through a wholesaler rather than through the dispensary system. However, any loss of revenue cannot be estimated at this time.

Small Business Effect: Any small business that holds a wholesaler's license may experience additional sales under the bill. In addition, the holder of a Class A, B, C, or D license may experience additional savings as a result of being able to purchase alcoholic beverages through a wholesaler at potentially lower prices than the county dispensary.

Additional Information

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

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 16, 2024
km/tso Third Reader - March 19, 2024
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