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February 19, 2021

Chair Dereck E. Davis
Vice Chair Kathleen M. Dumais
Members of the Economic Matters Committee
Room 231, House Office Building
Annapolis, MD 21401

House Bill 12 - Alcoholic Beverages - Sale or Delivery for Off-Premises Consumption

POSITION: Support

Dear Chair Davis, Vice Chair Dumais, and members of the Economic Matters Committee:

The Administration strongly supports House Bill 12 - Alcoholic Beverages - Sale or Delivery for Off-Premises Consumption. We would like to thank the sponsor for her sponsorship of the legislation, as well as the members of the committee for your hard work and leadership on similar COVID-19 relief measures.

This bill authorizes restaurants, bars, and taverns to sell and deliver alcoholic beverages for off-premises consumption or delivery under certain conditions. In addition, the bill provides that a local licensing board may not charge an additional fee to an alcoholic beverages license holder for selling or delivering alcoholic beverages. The Administration recognizes the hardships our small businesses and restaurants have endured throughout this pandemic. Many of these small businesses have been forced to lay off staff, reduce operation hours, and regrettably, some have been forced to close their doors forever. This legislation will help those struggling local businesses maximize their sales and allow them to provide services to their communities during these difficult times.

Recognizing the immediate negative impact that COVID-19 has on our restaurants and bars, Governor Hogan issued an executive order (20.03.19.02, superseded by 20.05.29.01) on March 19th, 2020, which permits restaurants, bars, State-licensed manufacturers of alcohol, and other entities holding a State or local liquor license to deliver off-premises and sell sealed beverages that will be consumed off of the business' premises. This executive order helps protect restaurants' ability to do carry-out, while also further encouraging Marylanders to support their local businesses. House Bill 12 codifies the Governor's executive order, which helps and supports our small businesses by providing additional mechanisms for them to increase their sales and revenues. Additionally, and amid the ongoing pandemic, this executive order encourages Marylanders to stay home and avoid crowding in stores, restaurants, and bars. Currently, and without passage of this legislation, the executive order granting restaurants, bars, and taverns this added flexibility and opportunity for additional revenue will end once the state of emergency is lifted. Governor Hogan remains wholeheartedly committed to supporting retailers, restaurants, and their employees as we continue our economic recovery.

On February 15, 2021, Governor Hogan signed and enacted SB 496 Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act, which, among other economic relief provisions, provides \$22 million in



grants for restaurants, and also makes businesses, such as these, eligible for up to \$9,000 in the sales tax vendor credit. In October 2020, Governor Hogan announced the Maryland Strong: Economic Recovery Initiative, which included \$50 million in direct relief for restaurants, which was allocated through the local jurisdictions. Eligible uses of the funds included working capital, such as the rent and purchase of equipment and services to expand outdoor dining capabilities; sanitization services; purchase of personal protective equipment; technology to support carryout and delivery services; and infrastructure improvements, including HVAC system upgrades.

For these reasons, the Administration asks for your favorable report on House Bill 12. For additional details, please contact Keiffer Mitchell, Senior Counselor and Chief Legislative Officer, at 410-974-3336 or keiffer.mitchell@maryland.gov