

## **MBBWL TESTIMONY IN SUPPORT OF HB996/SB763**

Marylanders for Better Beer and Wine Laws (MBBWL) is a non-profit advocacy group that represents over 10,000 consumers across the state. Our mission is to support pro-consumer reforms in Maryland's outdated alcohol laws that expand our choices and the economy. We have worked tirelessly on this issue for 10 years and are pleased to help usher in the first bicameral statewide chain store bill in 40 years! HB996 will substantially **expand consumer choice and convenience** in Maryland. Two, the law will **expand union employment**, which offers higher wages and benefits and better working conditions. Three, the legislation will encourage the **opening of grocery stores in currently underserved areas** and help to close the large gap in access to fresh, affordable, and healthy foods.

What choices do we as Maryland consumers have today? We live in one of only three states prohibiting the sale of beer in grocery stores and one of only eleven prohibiting the sale of wine in grocery stores. That's 98% and 86% of our fellow Americans respectively. This lack of access comes at a price. MBBWL has found that Maryland consumers can pay up to 33% more for a popular wine bottle in Maryland liquor stores than they would at a chain in other states. [A University of Denver study](#) found that changing Colorado law to permit chain store sales would save Colorado consumers \$485 million, or on average \$750 per household in the state. Consumers want and deserve the lower prices and convenience of being able to purchase wine and beer along with their other grocery items. When we surveyed Marylanders of age last year with 1<sup>st</sup> Tuesday Campaigns, we learned that 71% of us support beer in grocery stores and 73% want wine.

The General Assembly does not prevent competition in any other area of the supermarket where we shop, whether it be meat, dairy, produce, baked goods, or pharmacy products. Any law that proposes doing so would be considered a restraint of trade and anti-consumer. There is no logical basis to treat beer and wine differently. As many of you have traveled the country and especially in our neighboring jurisdictions like DC, Virginia and West Virginia, you have probably noticed the large number of independent retailers alongside chains. In In 2018, the first year after Oklahoma allowed for the sale of full-strength beer and wine in grocery stores, the Oklahoma ABLE Commission issued 3,300 new beer and 1,700 new wine licenses, while only one independent retailer closed by the end of that year. There are currently almost 7,800 federally registered wineries and over 11,000 federally registered breweries in the United States. By expanding the venues in which beer and wine can be sold in Maryland, we will allow consumers to have access to a wider range of those products, in a more convenient fashion, and at a lower price point.

MBBWL is proud to stand with the thousands United Food & Commercial Workers Union Local 400 members in their support of HB996. The UFCW represents grocery store workers across the state of Maryland and understands, as does our organization, that HB996 is pro-worker. The legislation will expand union membership in two ways. In existing grocery stores with union representation, adding an entire new category of products will require the hiring of additional staff to handle the purchase, inventorying, and shelving of beer and wine. Secondly, by allowing grocery stores to sell higher margin items such as beer and wine, locations that are eligible to have a Class A retailers license might be more profitable than the typical [2% average annual profit margin](#), thereby making it more financial viable and attractive for companies to open additional grocery store locations. Expanding grocery store sales of beer and wine could create an additional [500 jobs](#), many of them covered by a union.

One of the key aspects of HB996 is that it targets Priority Funding Areas. Under the [1997 planning legislation](#), Priority Funding Areas are those zones in Maryland that a municipality or county government targets for growth and added state investment, and typically involves either former or current industrial sites, designated enterprise zones, and neighborhood revitalization areas. Typically these areas are lower income or underdeveloped/utilized portions of a local governments jurisdiction, and one of the common features of such areas is that residents do not have the same access to fresh, affordable, and healthy food options. In the poorer areas of Prince George's County, for example, 55% of all available food vendors offer unhealthy options, which results in PG County having a [higher rate of weight-related chronic diseases](#) than the state of Maryland overall. In [Baltimore City](#), 36% of neighborhoods feature a food desert, and a full one-fourth of all school age children and one-fourth of all African Americans in Baltimore live in such deserts. In [Maryland overall](#), nearly 12% of rural zip codes are defined by the USDA as a food desert in such areas, meaning they live further than 10 miles away from the nearest grocery store. HB996 can help to address these inequities and improve the health of Maryland residents by encouraging the establishment of new grocery stores in currently underserved areas.

Those that oppose this legislation will argue that passing it will lead to more underage drinking and potentially to more drunk driving. However, the facts do not support these arguments. Multiple NIH published studies have found that rates of underage alcohol use are [not directly correlated](#) to the availability of alcohol for purchase by adults. Social conventions and the willingness of adults to purchase alcohol for minors are much more determinative factors linked to rates of underage drinking and alcohol abuse. Grocery store chains, with their large compliance departments, security systems, and

standardized training of store clerks; are very well suited to ensure the proper enforcement of state alcohol sale regulations. With regards to drunk driving, 60% of the states that allow grocery store sales of beer and wine [have the lowest rates](#) of driving fatalities. This makes intuitive sense as well, since no one would be imbibing the alcohol they are purchasing at a grocery store on the premises.

HB996 should be reported out with a positive recommendation from the Economic Matters Committee. This bill will expand consumer choice and increase convenience, strengthen union employment, and help to address the issue of access to quality and affordable food by all Maryland residents. The arguments against allowing grocery store sales of beer and wine are not well supported by evidence, or the experience in other states that have made such reforms. Maintaining the status quo only serves to benefit the private financial interests of a small number of existing business owners. Welcome Maryland into the 21<sup>st</sup> century by passing this legislation and giving us the options our peers in almost every other state enjoy!