

Respected Chair and Legislative Members,

Current language of SB 763 provides:

“Establishing a certain exception to the prohibition against issuing certain retail alcoholic beverages licenses for use in conjunction with or on the premises of certain establishments; requiring a local licensing board to issue a Class A beer or beer and wine license for use in conjunction with or on the premises of certain self-service or delivery-based grocery establishments”

I respectfully request you to

This bill essentially puts at the least Wine & Spirits in the Grocery and other chain stores. There are multiple issues in allowing sale of alcoholic beverages in Grocery Stores. I would like to highlight a few here:

Economic Development: Proponents of SB 763 claim that providing licenses to Grocery/Chain stores will lead to economic development. This misleading premise overlooks a proven fact that small retailers in MD help stimulate consumer spending, collect tax revenues, and provides employment, all by 18-times in comparison to grocery/chain stores (according to a Study).

Tax Revenue: The 7000 licensees in state of MD contribute more than \$1.5 billion in tax revenue to the state. State of MD engages in many economy stimulating activities with these tax revenues.

Private Labels: The proposed bill opens door for a very unfair competitive practice called "Private Label" that is currently adopted by big box stores in the industry (Total Wines). They go to the manufacturers directly and create their own labels that no other retailer would have access to and then manipulate the pricing on those products in their favor with no chance to other retailers on being able to compete with them for the same products.

Regulated Beverages in Grocery Stores: At previous public hearings for similar bills, it was said that the shopping environment should be kept safe for the entire family. We agree, why should our kids be exposed to regulated beverages (brands, even small containers) in grocery stores. That shopping environment shall be kept favorable for families. There is also a logistical challenge in putting regulated beverages in grocery stores, currently there are many young adults (who are not allowed to purchase or handle alcohol) who work at grocery stores. Putting alcoholic beverages in front of them not only exposes them to those products and makes it logistically difficult to restock, move around, or handle these products but also (in some cases) allows them to (potentially and illegally) consume or steal these beverages!

Precedent: We strongly believe that one license approval will take a domino-effect and inspire other supermarkets to apply for licenses and eventually run most of the small retailers out of business/existence. This bill sets a wrong precedent. The proponents of the bill might claim that it only allows for 3 stores to get it within the city limits of college park but its impact goes well beyond college park. Other supermarkets will surely follow the suit and apply for license. We strongly oppose such precedents and practices.

For all of the above reasons, I would like this committee to vote against this bill and help small retailers like us survive in this increasingly difficult economic environment for small businesses like ours.

Thank you for your time and consideration.

Sincerely,

Ketan Patel