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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 21, 2022

RE: Testimony for HB858 Alcoholic Beverages - Class A Licenses - Retail Grocery Establishments

Good Afternoon Economic Matters Chair, Vice Chair, and Members,

For the record, I am Regina T. Boyce presenting **HB858: Alcoholic Beverages - Class A Licenses - Retail Grocery Establishments**. HB858 establishes a certain exception to the prohibition against issuing Class A or beer and wine licenses for use in conjunction with or on the premises of certain grocery establishments.

I would like to first go on record acknowledging that this has been a complicated century long debate. With that said, I would like to share history and background.

In 1933 when the **21st amendment** passed to abolish prohibition, Maryland employed a 3-tier licensing system with clear separation between each tier: Manufacturers, who sell to distributors; Distributors, who sell to retailers; Retailers, who sell to consumers.

The goal of prohibition was to decrease how much people drank. This system was set up to promote temperance and prevent overconsumption, to ensure orderly market conditions, and to raise money through taxes.

Before prohibition, large breweries invested heavily in bars. Bars were given significant discounts by breweries allowing them to sell copious quantities of beer at extremely cheap prices, thus increasing consumption. The 3-tier system eliminated the brewery to bar approach and decreased consumption. HB858 would not change the 3-tier system.

HB858 would provide greater access for beer and wine while making it more convenient for consumers to purchase. It would also increase exposure and sales of Maryland-made beer and wine allowing local breweries and wineries to place their products in more stores. Note that this bill does not authorize Retail Grocery Establishments to sell liquor.

According to the Maryland Retailers Association, 47 states and D.C. allow grocery stores to sell beer, and 40 states and D.C. allow them to sell wine. Despite being the only state to refuse to pass a state enforcement act during prohibition, current alcohol distribution in Maryland is guarded by a 1978 law that prohibits grocery and other stores from obtaining alcohol licenses. Exempt from this prohibition law are establishments that held beer, wine, or liquor licenses prior to the enactment of this law. For example, there are three grocery stores in Montgomery County that sell beer and wine, and a few Rite Aid Pharmacies in Baltimore City.

Maryland is one of three states that does not allow grocery and convenience stores to sell beer and/or wine. Marylanders are not opposed to buying beer and wine in their local liquor stores but more than half of Marylanders are have stated that would appreciate the convenience of purchasing beer and/or wine while shopping, fueling up their vehicles, or stopping in a convenience store. The convenience of one stop shopping is available to 85% of Americans.

Again, realizing this bill's topic is complicated, I along with supporters and advocates of this bill believe that the subject matter warrants a discussion for the reassessment of the 1978 law.

Thank you for your time and consideration. I urge a favorable report for HB858.



Regina T. Boyce