

**LICENSED BEVERAGE DISTRIBUTORS OF MARYLAND, INC.**

Leadership in Industry Corporation

446 Park Creek Road

Pasadena, MD 21122

February 21, 2022

Members:

BREAKTHRU BEVERAGE DISTRIBUTORS

REPUBLIC NATIONAL DISTRIBUTING COMPANY, LLC.

HB 1117 - Favorable with Amendment

House Economic Matters Committee

Mr. Chairman, Vice Chair and Members:

The Licensed Beverage Distributors of Maryland support HB 1117 if it is amended. The primary intent of the bill is to support sidewalk cafes in Washington County. We applaud this step. However, Section 2 of the bill tears apart the State's highly regarding regulatory system. It would allow a restaurant to buy its alcohol beverages outside the existing regulatory system. Current law requires a restaurant to purchase alcohol beverages from a licensed wholesaler. The transaction is documented and becomes a crucial link in a strong chain of custody. The requirement to purchase from a wholesaler is the linchpin of the State's regulatory system for tracking the purchase and flow of alcohol beverages. If a restaurant purchases from a retailer there is no way to identify the source of its beverages. Regulators could not quickly identify the origin of contaminated product or know with certainty that the product served to citizens was from a legitimate source. We ask the committee to remove the language in Section 2 permitting a restaurant from purchasing from a retailer.

Thank you for your consideration of this request.

Sincerely,

Licensed Beverage Distributors of Maryland

Joel Polichene, Republic National Distributing Company

Jeff Scarry, Breakthru Beverage Distributors (formerly Reliable Churchill LLP)