

FINAL 2024 MD SB833 Testimony - Robert Melvin

Uploaded by: Robert Melvin

Position: FAV



1411 K Street N.W.
Suite 900
Washington, D.C. 20005
202-525-5717

Free Markets. Real Solutions.
www.rstreet.org

Testimony from:

Robert Melvin, Senior Manager, State Government Affairs for the Northeast Region, R Street Institute

Testimony in Support of SB 833: "Alcoholic Beverages-Sale or Delivery for Off-Premises Consumption."

February 23, 2024

Maryland Senate Finance Committee

Chairwoman Beidle and members of the committee,

My name is Robert Melvin, and I am the senior manager of state government affairs for the Northeast region with the R Street Institute. The R Street Institute is a nonprofit, nonpartisan public policy research organization. Our mission is to engage in policy research and outreach to promote free markets and limited, effective government in many areas. Our work includes analysis and promotion of sensible alcohol policies that consider consumer choice, free enterprise, and public safety. We are also one of the only nonpartisan think tanks in the country that analyzes alcohol laws and regulations. That is why House Bill 688 is of special interest to us.

While the COVID-19 pandemic posed many challenges, it also pushed states and localities to examine monumental adjustments to many long-held regulations, including those related to alcohol policy. Prior to March, 2020, there was not a single state that permitted restaurants to deliver or serve cocktails to-go; however, by the fall of 2022, 38 states had adopted temporary measures permitting restaurants to sell alcohol to-go or for delivery.¹

As states lifted COVID-19 pandemic restrictions, lawmakers found that reforming archaic alcohol rules was tremendously popular with the public.² According to the National Restaurant Association, state level surveys found between 70-85% of polled residents expressed support for making permanent the ability

¹ C. Jarrett Dieterle, R Street Institute, "The Data Is In: Alcohol Delivery and Consumption During COVID-19." April 18, 2023: <https://www.rstreet.org/research/the-data-is-in-alcohol-delivery-and-consumption-during-covid-19/>

² Carl Campanile, "New Yorkers want to keep booze flowing in post-coronavirus food delivery," New York Post, July 7, 2020. <https://nypost.com/2020/07/07/newyorkers-want-to-keep-booze-in-post-coronavirus-food-delivery>

Tim Keenan, "Survey: Michigan Consumers Say Yes to Take-out Cocktails," DBusiness, May 29, 2020. <https://www.dbusiness.com/daily-news/survey-michigan-consumers-say-yes-to-take-out-cocktails>.

to purchase alcohol with their takeout and delivery food orders.³ As a result of this favorable response, 24 states and the District of Columbia adopted alcohol to-go as a permanent standard.⁴

The policy of permitting cocktails to-go was temporarily permissible in Maryland up until June 2023, when specific provisions of Chapters 140 and 141 that were adopted in 2021 expired.⁵ If adopted, SB 833 would reestablish and make permanent, the ability of restaurants, bars, and taverns to offer carry-out or to-go alcohol sales. This measure would only apply to jurisdictions that adopt policies authorizing the alcohol to-go sales, and there are strong reasons to consider adopting such a proposal.

SB 833 helps bolster restaurant's bottom lines, with some restaurants reporting annual alcohol to-go revenues of "just under a million dollars," according to Spectrum News.⁶ In fact, dining establishments that offer alcohol normally receive over 20% of their income from such sales, which makes cocktails to-go a potentially lucrative revenue generator.⁷ So, it's no surprise that approximately 90% of restaurant operators plan to continue to sell alcohol with carryout orders if state law continues to allow such sales.⁸

While some have expressed concerns that permitting alcohol to-go might undermine public safety and cause an increase in underage drinking or increase in drunk driving, reports have not found a connection. In fact, the R Street Institute has conducted research on these topics, and found that almost every state that permitted alcohol to-go during COVID-19 didn't witness increased rates of youth drinking or driving while intoxicated.⁹

Our research revealed that there was no correlation between states that reformed their to-go or delivery alcohol laws during COVID-19 and alcohol-impaired driving fatalities.¹⁰ Of note, several states that prohibited alcohol delivery had some of the highest increases in drunk driving deaths.¹¹ Likewise, many states that restricted alcohol delivery experienced larger increases in overall drinking rates, compared to those that permitted delivery.¹² Moreover, a case study from our organization on direct-to-consumer wine shipments found that states that have sanctioned direct-to-consumer wine delivery over the past

³ National Restaurant Association, "Alcohol to-go might be magic potion for struggling restaurants," July 20, 2020: <https://restaurant.org/education-and-resources/resource-library/alcohol-to-go-might-be-magic-potion-for-struggling-restaurants/>

⁴ Distilled Spirits Council of the United States, State Map of the Economic Impacts of the Distilled Spirits Industry, Last accessed January 12, 2024: <https://www.distilledspirits.org/state-data/>

⁵ Maryland General Assembly, 2021 Legislative Session, House Bill 12, Last accessed February 22, 2024: <https://mgaleg.maryland.gov/mgaweb/Legislation/Details/hb0012?ys=2021RS>

Maryland General Assembly, 2021 Legislative Session, Senate Bill 205, Last accessed February 22, 2024: <https://mgaleg.maryland.gov/mgaweb/Legislation/Details/SB0205?ys=2021RS&search=True>

⁶ Steve Maugeri, Spectrum News 1, "Restaurants Capitalize on Popularity of Alcohol, Food To-Go and Catering," May 19, 2023: <https://spectrumnews1.com/oh/columbus/news/2023/05/12/alcohol-and-food-to-go->

⁷ Alicia Kelso, Nations Restaurant News, "National Restaurant Association: Alcohol To-Go is Here to Stay," June 9, 2023: <https://www.nrn.com/consumer-trends/national-restaurant-association-alcohol-go-here-stay>

⁸ National Restaurant Association, "On The Menu: Trends in On- and Off-Premises Beverage Alcohol," June 7, 2023: <https://go.restaurant.org/rs/078-ZLA-461/images/National-Restaurant-Association-Alcohol-Trends.pdf>

⁹ C. Jarrett Dieterle, R Street Institute, "Alcohol Delivery and Underage Drinking: A COVID-19 Case Study," July 2023: <https://www.rstreet.org/wp-content/uploads/2023/07/policy-short-no-128-R5-1.pdf>

¹⁰ C. Jarrett Dieterle, R Street Institute, "The Facts About To-Go Alcohol and Drunk Driving: The COVID-19 Experience," June 2022.

https://www.rstreet.org/wp-content/uploads/2022/06/ULTIMATE_policy-short-no-114-REVD.pdf

¹¹ Ibid.

¹² Ibid.

few decades have seen larger decreases in underage drinking compared to states that prohibited this practice.¹³ These reports do not signify causation, but they do help emphasize that to-go alcohol doesn't result in increases in drunk driving or underage consumption of alcohol.

The data is clear, carryout and delivery of alcohol from eateries doesn't result in greater rates of drunk driving or underage consumption of alcohol. Moreover, by allowing off-premise sales from restaurants, not only can these establishments generate additional revenue, but it will also give consumers more choice. For these reasons, I ask you for a favorable report of SB 833.

Thank you,

Robert Melvin
Senior Manager, Government Affairs for the Northeast Region
R Street Institute
rmelvin@rstreet.org

¹³ C. Jarrett Dieterle, R Street Institute, "Alcohol Delivery and Underage Drinking: Data Driven Lessons from Direct-to-Consumer Wine Shipping," April 2022:
<https://www.rstreet.org/wp-content/uploads/2022/04/Updated-Final-Short-No.-113-1.pdf>

SB833 Sponsor Amendment.pdf

Uploaded by: Katherine Klausmeier

Position: FWA



SB0833/543629/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

08 FEB 24
08:36:34

BY: Senator Klausmeier
(To be offered in the Finance Committee)

AMENDMENTS TO SENATE BILL 833
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, before “**Alcoholic**” insert “**Baltimore County –**”; in line 4, after “beverages” insert “in Baltimore County”; strike beginning with the second “in” in line 6 down through “board” in line 7 and substitute “if the Board of License Commissioners for Baltimore County”; in line 8, after “licenses” insert “in Baltimore County”; in lines 8 and 9, strike “, bar, or tavern” and substitute “or bar”; in line 10, strike “a local licensing board” and substitute “the Board”; strike beginning with “a” in line 11 down through “board” in line 12 and substitute “the Board”; in line 14, strike “, bars, and taverns” and substitute “and bars in Baltimore County”; in line 15, strike “with” and substitute “without”; in line 17, after “4-507” insert “and 13-102”; after line 19, insert:

“BY repealing and reenacting, with amendments,
Article - Alcoholic Beverages and Cannabis
Section 13–1901
Annotated Code of Maryland
(2016 Volume and 2023 Supplement)”;

and in line 22, strike “4–1107” and substitute “13–1904”.

AMENDMENT NO. 2

On page 2, in line 4, strike the brackets; strike beginning with the semicolon in line 6 down through “**TITLE**” in line 8; after line 13, insert:

“13–102.”

This title applies only in Baltimore County.

13-1901.

(a) The following sections of Title 4, Subtitle 5 (“Conduct of Local License Holders”) of Division I of this article apply in the county without exception or variation:

(1) § 4-502 (“Storage of alcoholic beverages”);

(2) § 4-503 (“Solicitations and sales outside of licensed premises”);

(3) § 4-505 (“Alcohol awareness program”);

(4) § 4-506 (“Evidence of purchaser’s age”);

[(5) § 4-507 (“Retail delivery of alcoholic beverages”);] and

[(6)] (5) § 4-508 (“Display of license”).

(b) **THE FOLLOWING SECTIONS OF TITLE 4, SUBTITLE 5 (“CONDUCT OF LOCAL LICENSE HOLDERS”) OF DIVISION I OF THIS ARTICLE APPLY IN THE COUNTY:**

(1) [Section] § 4-504 (“Employment of underage individuals”) [of Division I of this article applies in the county], in addition to § 13-1902 of this subtitle; AND

(2) § 4-507 (“RETAIL DELIVERY OF ALCOHOLIC BEVERAGES”), SUBJECT TO § 13-1904 OF THIS SUBTITLE.”;

in line 14, strike “**4-1107.**” and substitute “**13-1904.**”; strike beginning with the first “**IN**” in line 15 down through “**BOARD**” in line 16 and substitute “**IF THE BOARD**”; and in line 20, strike “**A LOCAL LICENSING BOARD**” and substitute “**THE BOARD**”.

On pages 2 and 3, strike in their entirety the lines beginning with line 23 on page 2 through line 26 on page 3, inclusive.

On page 3, in line 27, strike “**(C)**” and substitute “**(B)**”; in the same line, after “**A**” insert “**CLASS B OR CLASS D**”; and in line 29, strike “**, BAR, OR TAVERN**” and substitute “**OR BAR**”.

On page 4, in lines 2 and 14, in each instance, strike “**LOCAL LICENSING BOARD**” and substitute “**BOARD**”; in lines 29 and 30, strike “**LICENSED JURISDICTION**” and substitute “**COUNTY**”; in line 31, strike “**(D)**” and substitute “**(C)**”; and in the same line, strike “**A LOCAL LICENSING BOARD**” and substitute “**THE BOARD**”.

Senate Delegation Letter SB833 Finance.pdf

Uploaded by: Katherine Klausmeier

Position: FWA

CHARLES E. SYDNOR III, ESQ.
CHAIR

KATHERINE KLAUSMEIER
VICE CHAIR



BENJAMIN BROOKS
SHELLY HETTLEMAN
J. B. JENNINGS
JOHNNY RAY SALLING
MARY WASHINGTON
CHRIS WEST

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401
BALTIMORE COUNTY DELEGATION

February 21, 2024

The Honorable Pamela Beidle, Chair
Finance Committee
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Subject: SB0833 – Alcoholic Beverages – Sale or Delivery for Off-Premises Consumption

Dear Chair Beidle,

This is to inform you and the Finance Committee that the subject Senate Bill 833 received a **FAVORABLE as amended (SB0833/543629/1)**, vote from the Baltimore County Senate Delegation.

The Baltimore County Senate Delegation respectfully requests that the Finance Committee consider its favorable recommendation when voting on this bill. Thank you.

Very truly yours,

Charles E. Sydnor III, Esq.

MDDCSAM SB 833 alcohol delivery.pdf

Uploaded by: Joseph Adams, MD

Position: UNF



MDDCSAM is the Maryland state chapter of the American Society of Addiction Medicine whose members are physicians and other health providers who treat people with substance use disorders.

SB 833 Alcoholic Beverages – Sale or Delivery for Off-Premises Consumption.
Senate Finance Committee, February 23, 2024

UNFAVORABLE

The availability of alcohol by home-delivery was expanded during the Covid pandemic as an understandable attempt to protect businesses. However, studies over the last several years have consistently found that home delivery is associated with an increase in alcohol consumption patterns more likely to result in harms such as heavy drinking or binge drinking.

In a study of the effect of home delivery on alcohol consumption volumes, **adults who had alcohol delivered (vs. not delivered) reported consuming 60% more wine, and approximately three times more spirits.** (Trangenstein 2023).

In a 2023 study, **alcohol delivery was associated with six times higher odds of drinking at hazardous/harmful levels.** In addition, persons ≤ 25 years who had alcohol delivered were significantly more likely to report never having their identification verified vs. those purchasing in-person. (Colbert 2023).

In a 2021 study, **alcohol delivery was associated with a 75% greater likelihood of heavier drinking than in-person purchases.** (Huckle 2021).

In 2022, it was found that **individuals having alcohol delivered consumed more drinks, drank on more days, and were nearly two times more likely to engage in binge drinking than participants who purchased alcohol in-person.** The authors conclude that it is important for states to consider the potential public health implications of home delivery. (Grossman 2022).

Alcohol use is the fifth leading cause of preventable death in the U.S. (NIAAA), leading to over 140,000 deaths and 3.6 million years of potential life lost (YPLL) each year in the United States from 2015 – 2019, shortening the lives of those who died by an average of 26 years. Alcohol use was responsible for 1 in 5 deaths among adults aged 20-49 years. (CDC)

Problems associated with alcohol use include high blood pressure, heart disease, stroke, liver disease, digestive problems, cancer (of the breast, mouth, throat, esophagus, voice box, liver, colon, and rectum), dementia, poor school performance, depression, anxiety, social and family problems, unemployment, impaired immune function, and alcohol use disorder. (CDC)

Respectfully,

Joseph A. Adams, MD, FASAM, Board certified in internal medicine and addiction medicine

(continued . . .)

REFERENCES:

Trangenstein PJ, et. al. Characteristics associated with buying alcohol to-go and for delivery during the first year of the COVID-19 pandemic among a national sample of US adults. Drug Alcohol Rev. 2023 Jul;42(5):1252-1263.

Colbert S, et. al. Cross-sectional survey of a convenience sample of Australians who use alcohol home delivery services. Drug Alcohol Rev. 2023 Jul;42(5):986-995.

Huckle T, et. al. Online alcohol delivery is associated with heavier drinking during the first New Zealand COVID-19 pandemic restrictions.

free: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7753625/>

Drug Alcohol Rev. 2021 Jul;40(5):826-834.

free: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7753625/>

Grossman ER, et. al. Alcohol consumption and alcohol home delivery laws during the COVID-19 pandemic. Subst Abus. 2022;43(1):1139-1144. <https://pubmed.ncbi.nlm.nih.gov/35471927/>

NIAA: Understanding Alcohol's Impact on Health | National Institute on Alcohol Abuse and Alcoholism (NIAAA). Accessed Feb 2024

<https://www.niaaa.nih.gov/publications/brochures-and-fact-sheets/understanding-alcohol-impact-health>

CDC - Alcohol & Public Health - Alcohol Basics

<https://www.cdc.gov/alcohol/fact-sheets/alcohol-use.htm> (Accessed Feb 2024)

SB833-alc-to-go-ATCN-UNF-2024.pdf

Uploaded by: Raimee Eck

Position: UNF



Mission: To improve public health in Maryland through education and advocacy Vision: Healthy Marylanders living in Healthy Communities

SB 833: Alcoholic Beverages – Sale or Delivery for Off-Premises Consumption

Hearing Date: February 23, 2024

Committee: Finance

Position: Unfavorable

On behalf of the Maryland Public Health Association’s Alcohol, Tobacco & Cannabis Network, we thank you all for your work to evaluate and establish alcohol regulations that will keep our communities, youth, and other at-risk populations safe. We are opposed to SB 833, which would make off-premise sales and deliveries of mixed alcoholic beverages and sealed containers from restaurants, bars, or taverns permanent.

Public health and substance misuse experts and advocates from across the state have shared their concerns on the possibility of making to-go and delivery alcohol sales permanent in Maryland. As a reminder, we supported the legislation in 2021 (HB12) that extended the Governor’s Executive Order with a sunset of two years and a number of guardrails. The expectation was that this was a stop-gap measure temporarily put into place, which has now sunset given the height of the pandemic is passed. It also required a report to study the expansion of alcohol access to be submitted to the General Assembly by December 31, 2022.

In response to anecdotal evidence that there have been limited problems associated with to-go alcohol sales, this evidence is absent. Due to limited resources and capacity of local liquor boards, robust assessments of this law when it was in effect has not been done. In one mystery shop evaluation performed in Montgomery County very early on, they found that only 15% of restaurants noted that an ID would be required to pick up an order and 55% of restaurants did not check the ID when the order was picked up.

Research has found that adults who use alcohol delivery services tend to drink on more days, drink heavier on those days, and report binge drinking more frequently. Delivery services have also been shown to be used to continue drinking sessions when they otherwise would have ended.

In addition to supporting heavier drinking, there is greater risk of increased youth access. Many delivery service laws use point of delivery ID checks. Compliance checks on these systems with underage youth find failure rates up to 58% of the time, compared with traditional brick and mortar businesses, which may have positive compliance rates of 80-99% of the time.

We urge an unfavorable report on SB 833.

The Maryland Public Health Association (MdPHA) is a nonprofit, statewide organization of public health professionals dedicated to improving the lives of all Marylanders through education, advocacy, and collaboration. We support public policies consistent with our vision of healthy Marylanders living in healthy, equitable, communities. MdPHA is the state affiliate of the American Public Health Association, a nearly 150-year-old professional organization dedicated to improving population health and reducing health disparities that plague our state and our nation.