



Maryland State Licensed Beverage Association

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MSLBA 2024 General Assembly Session Summary

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Though at times it felt like it may never end, the 2024 General Assembly Session concluded as scheduled on Monday, April 8th at midnight. From the beginning--90 days ago--the MSLBA Legislative Committee reviewed dozens of alcohol bills to ensure that they continue to uphold the 3-tier system and ensure a role for the thousands of small businesses that occupy the retail tier. When bills were identified that threatened either, MSLBA weighed in. As the chart below shows, our efforts produced very good results again in 2024.

Our legislative success is due not only to the work of the Legislative Committee, but it is supported by events like the Opening Day Reception and dinners with members of the House Economic Matters and Senate Finance Committees, where MSLBA members develop relationships with legislators that are useful when we do need to weigh in. Our results are also due to the relationships our retailers foster with their local Delegates and Senators. And most importantly, we owe a special thanks to our many members who answered MSLBA requests to attend Alcohol Day in the House and the lottery hearings, and in contacting legislators when asked. All these efforts combine to make up the formidable legislative strength of MSLBA.

In addition to the chart, a thorough description of the bills that passed and a short summary of the bills that did not is provided below.

| Bill | MSLBA Position | Outcome |
|---|-------------------------------|---|
| Direct Ship & Delivery by Manufacturers | Opposed | Passed with amendments to exclude direct shipment |
| Door Dash | Support with MSLBA Amendments | Passed with MSLBA amendments |
| Trone Bill | Opposed | Failed |
| Beer and Wine Sales in Supermarkets | Opposed | Failed |
| Alcohol Tax Increase | Opposed | Failed |
| Local Sales Tax | Opposed | Failed |
| Lottery Commission Reduction | Opposed | Passed with amendment for 5.75 Commission Rate (down from 6%) |
| iLottery | Opposed | Failed |

Breweries, Wineries and Distilleries-Direct Shipment & Delivery ([HB 1217/SB1041](#)) - Passed as Amended

For the fourth consecutive Session, the General Assembly considered the issue of Maryland manufacturers directly shipping alcohol to consumers. This began in 2021 when, in response to COVID, lawmakers allowed Maryland's brewers and distillers to ship alcohol using third parties, and this privilege has been extended in 1-year increments since that time but was set to expire in the summer of 2024. (Wineries have been allowed to

ship for over 10 years). These bills proposed to make this privilege permanent, with the manufacturers arguing that it was vital to their survival. The bill also proposed to make permanent their ability to deliver using their own employees, and to sell unlimited quantities of their own products at their facility.

MSLBA opposed the yearly extensions, not only because of the economic effects of shipping on local retailers and wholesalers, but because we knew a lawsuit would be filed by out of state manufacturers who were not allowed to ship under the law. Sure enough, in the summer of 2023, a suit was filed alleging the law violated the Commerce Clause by extending to in-state manufacturers a privilege not given to out of state manufacturers (per the *Granholm* decision of the U.S. Supreme Court). This legal morass had to be resolved this Session, or the courts would be deciding the issue.

MSLBA produced evidence at the Senate hearing that, as to direct shipment, fewer than ten manufacturers were using the privilege and even those were shipping very little product, so it couldn't be that vital to their existence. This led to negotiations with the sponsor and the Senate President's Office to amend the bill. After multiple meetings, we agreed to amendments that stripped direct shipment from the bill, meaning that privilege will expire this summer and the lawsuit will be rendered moot, thus avoiding having the courts decide who can ship and who cannot. Maryland manufacturers making less than 100,000 gallons per year can continue to do direct delivery in the State using their own employees and can sell their own products at their facilities. This brings an end to multiple years of MSLBA devoting resources to this issue.

Retail Delivery-Local Delivery Service Permit ([HB 808/SB456](#)) - Passed with MSLBA Amendments

The "Door Dash" bill as it became known, was proposed in 2023 but did not pass. MSLBA was directed by House leaders to work on a compromise over the interim, which we did, and the amendments we proposed were all accepted by the sponsor. Our amendments included 1) making the law a local option, such that delivery companies cannot operate unless the local liquor board adopts regulations allowing it, 2) limiting delivery to the jurisdiction in which the retailer is licensed, 3) ensuring that the sales transaction is made by the licensed retailer, not the platform of the delivery company, and 4) giving the Alcohol, Tobacco and Cannabis Commission the authority to adopt regulations ensuring an orderly market if needed.

Ashish Parikh and Jack Milani are to be credited for their work with the bill sponsor on this legislation. While there remain concerns among our members on this policy, sometimes it is important to recognize that you may not get everything you desire in the legislative process and minimizing the damage is valuable, as was the case here.

Class A License-Food Retailers ([HB 847/SB 1139](#)) - Failed

This is the 2024 version of the "Supermarket Bill", allowing beer and wine to be sold there. The bill was killed without a vote in the House Economic Matters Committee and never emerged from the Senate Rules Committee. This outcome is attributed to the relationship that many of our members have with their Delegates and Senators and their ability to reach out to them as needed.

We had numerous MSLBA members testify in opposition at the House bill hearing. They included Kim Lawson from Anne Arundel Co., Ashish Parikh from Carroll County, and Ashok Kavi from Charles County, as well as Nick Manis on behalf of the MD Beer Wholesalers Association. The Senate bill never emerged from the Rules Committee.

Issuance of Class A Licenses ([HB 1424/SB1171](#)) - Failed

Proposed by Total Wine, this bill would have lifted the current limit of one Class A license being held by a person (including a company), and instead allowed a person to hold up to four licenses. This bill has been

proposed before. There was no appetite for the bill in the House Committee and the bill never emerged from the Rules Committee in the Senate.

Lottery Commissions ([HB 352/SB 362](#)) - Passed with Amendments

The Budget proposed by the Governor would have reduced lottery commissions paid to retailers from the current 6% for sales and 3% for cashing down to 5.5% and 2%, respectively. Along with our retail allies, MSLBA advocated to have the existing commission amounts retained—indeed, the 6% rate was just adopted with MSLBA’s advocacy in 2023. While we did not prevail in having the sales commission fully restored, we did get it raised from what was proposed back up to 5.75%. Unfortunately, cashing commissions will be reduced to 2%.

We do not agree with the State cutting costs by reducing commissions paid to those who generate substantial revenue for the State. But the result was driven by the State’s fiscal outlook--a \$2-\$3 billion deficit in the next 2-3 years. We are left to look for opportunities to restore commissions in future years.

MSLBA Legislative Co-Chair Jack Milani and member Jimmy Spiropolous were very engaged on this issue, testifying on multiple occasions, and coordinating MSBLA efforts.

Online Lottery ([HB 1218](#)) - Failed

This bill sought to repeal a statutory protection that MSLBA and others advocated for years ago, which required the Legislature to authorize an online lottery rather than allowing the Lottery Commission to do so on its own. With this bill, the Lottery sought to repeal that statutory protection, and was poised to advance the “iLottery,” allowing lottery games to be played on electronic devices.

MSLBA worked with other retail organizations to successfully oppose this bill, but it will undoubtedly return next year when the State will be in search of revenue from anywhere possible.

Manufacturers Serving Products Made by Other Manufacturers - All Failed

Numerous bills were introduced that would allow breweries, wineries, and distilleries to serve not just the products they manufacture at their facilities, but also the products of other manufacturers. [HB 623/SB 735](#) (Harford) and [HB 798](#) (MoCo) all sought to allow this. This turns every brewery, winery, and distillery into a bar, something that MSLBA has strongly and consistently opposed. What the manufacturers sold years ago as an effort to promote their own products through tap rooms and the like has now grown to this. The Legislature has fortunately rejected these efforts.

One bill proposed along these lines did pass, with MSLBA’s amendments. [HB 587/SB 561](#) affecting Frederick County allowed other products to be offered at private, catered events held in manufacturing facilities if the events are approved by the liquor board, but the products cannot be offered to the general public. MSLBA obtained amendments that prohibited the manufacturer from having any financial interest in the catering company and requiring that public patrons be kept separate from the private event.

Tax Bills - All Failed

- Alcohol Tax ([HB 1072](#))-This bill proposed to increase the sales tax on alcohol from the current 9% to 10%. The bill died.
- Admissions & Amusement Tax ([HB 1306](#))-This bill would have allowed local counties and municipalities to impose a tax of up to 2% on food and alcohol on top of all other existing taxes. Though couched as an expansion of the admissions and amusement tax, it was really a local sales tax. The bill was withdrawn.

- Ready to Drink Excise Tax Rate ([HB 663](#))-This bill would have taxed distilled spirit based ready to drink beverages at the rate of wine. The bill died.

Bottle Bill ([HB 735/SB 642](#)) - Failed

This bill would have required retailers, including liquor stores, to accept redeemable beverage containers at their place of business, maintain a “dedicated area” to store the returned containers, and pay the person redeeming the container in cash. MSLBA opposed this legislation, and it did not pass out of the House committee.

Tipped Wages ([SB 160](#)) - Failed

This bill would have eliminated the tip credit earned by hospitality workers.

Cigar Bars ([HB 374/SB 186](#)) - Failed

This legislation would have allowed certain cigar bars in Prince George’s County to obtain alcoholic beverage licenses. MSLBA has opposed all such bills, pointing back to the removal of indoor smoking from bars and restaurants with the passage of the Clean Indoor Air Act.

While the bill did not pass, a study of the issue was added to another tobacco-related measure, [SB 244](#), requiring the Department of Health to convene a workgroup and make findings and recommendations to the Legislature by July of 2025. Meanwhile, no new alcoholic beverage licenses can be issued in the State to tobacconists through July of 2026.

