

Department of Legislative Services  
Maryland General Assembly  
2018 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 1316  
Economic Matters

(Delegate Kramer, *et al.*)  
Education, Health, and Environmental Affairs

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**Task Force to Study State Alcohol Regulation, Enforcement, Safety, and Public Health**

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This bill establishes a Task Force to Study State Alcohol Regulation, Enforcement, Safety, and Public Health. The Department of Legislative Services (DLS) must provide staff for the task force. The task force must report its findings and recommendations to the General Assembly by December 1, 2018. **The bill takes effect June 1, 2018, and terminates June 30, 2019.**

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**Fiscal Summary**

**State Effect:** The bill's requirements can be handled with existing resources. Revenues are not affected.

**Local Effect:** The bill's requirements can be handled with existing resources. Revenues are not affected.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The task force must examine whether the State agency that is now assigned the tasks of regulating the State alcoholic beverages industry and enforcing associated laws is the most appropriate agency to ensure the safety and welfare of Maryland residents, or whether those tasks should be assigned to another State agency or to one created specifically to carry out those tasks. In conducting this examination, the task force must review:

- Maryland alcohol laws in light of recent changes regarding alcohol production, distribution, and sale;
- the public health impact of alcohol in Maryland;
- the economic development and employment impact of alcohol in Maryland; and
- enforcement of alcohol regulation and laws at the State and local levels, including regulatory systems in other states and the methods by which State and local enforcement agencies interact.

The task force must recommend additional policies and methods of implementation regarding alcohol laws in the State and legislative proposals that would expand the availability of alcohol to the public.

### **Current Law/Background:**

#### *Alcohol Regulation*

In Maryland, alcoholic beverages manufacturers and wholesalers are regulated by the Comptroller's Office (State level), while alcoholic beverages retailers are regulated by local boards of license commissioners. Specific to manufacturers, the Comptroller's Office considers applications and issues and oversees licenses through two offices: the Revenue Administrative Division (RAD); and the Field Enforcement Division (FED). RAD is responsible for receiving and processing the tax returns and payments from alcoholic beverages manufacturers, and FED is responsible for enforcing the State's alcoholic beverages laws through inspection and oversight.

In April 2017, the Comptroller established the Reform on Tap Task Force. The stated goal of the task force was to modernize Maryland's beer laws and promote economic growth across the State. The task force's final meeting took place in November 2017, where the Comptroller's Office presented its [findings report](#). The report discussed the recent expansion of craft beer manufacturing in the country and its effect on the State's economy.

In November 2017, DLS published a report on [Regulation of the Alcoholic Beverages Industry in Maryland](#). The report summarizes the current manner in which alcoholic beverages are regulated in the State, with a focus on alcoholic beverages manufacturers.

#### *Health Effects of Alcohol*

According to the U.S. Centers for Disease Control and Prevention, excessive drinking includes binge drinking, heavy drinking, and any drinking by pregnant women or those younger than age 21. "Binge drinking" is defined as the consumption of (1) for women,

4 or more drinks during a single occasion and (2) for men, 5 or more drinks during a single occasion. “Heavy drinking” is defined as the consumption of (1) for women, 8 or more drinks per week and (2) for men, 15 or more drinks per week. Short-term health risks of excessive drinking include injuries, violence, alcohol poisoning, risky sexual behaviors, and miscarriages. Long-term health risks of excessive drinking include high blood pressure, heart or liver disease, stroke, cancer, memory problems, mental health problems, social problems, and alcoholism.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** U.S. Centers for Disease Control and Prevention; Comptroller’s Office; Maryland Department of Health; Department of State Police; Department of Legislative Services

**Fiscal Note History:** First Reader - February 22, 2018  
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