

**Department of Legislative Services**  
Maryland General Assembly  
2024 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 637  
Economic Matters

(Delegate Jackson)

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**Alcoholic Beverages – Sale or Delivery for Off-Premises Consumption**

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This bill reestablishes and makes permanent specific provisions of Chapters 140 and 141 of 2021 that initially terminated June 30, 2023. Those provisions include allowing restaurants, bars, and taverns to sell and deliver certain alcoholic beverages for off-premises consumption or delivery, as specified, in a jurisdiction in which the local licensing board has adopted regulations to authorize such sales. A local licensing board may limit the quantity of alcoholic beverages that may be sold or delivered to an individual in a single transaction and may not charge an additional fee to an alcoholic beverages license holder for selling or delivering alcoholic beverages under the bill. **The bill takes effect July 1, 2024.**

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**Fiscal Summary**

**State Effect:** The bill is not anticipated to materially affect State expenditures or revenues.

**Local Effect:** Local government expenditures increase beginning FY 2025 for enhanced enforcement activities under the bill. Because a local licensing board is prohibited from charging any additional fees to sell or deliver alcoholic beverages under the bill, revenues are not affected.

**Small Business Effect:** Meaningful.

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## Analysis

### Bill Summary:

#### *Sale and Delivery of Alcoholic Beverages*

The bill's reauthorizations that allow a restaurant, bar, or tavern to sell certain alcoholic beverages, including mixed drinks or cocktails in sealed or closed containers, for off-premises consumption apply only in a jurisdiction in which the local licensing board has adopted regulations to authorize such sales. In considering whether to do so, a local licensing board must consider the public health impact of the sale or delivery of alcoholic beverages for off-premises consumption.

For restaurants, bars, and taverns with a license that only allows alcoholic beverages sales for on-premises consumption, any such law or ordinance may allow the off-premises sale and delivery if:

- the alcoholic beverage is purchased along with prepared food other than prepackaged snacks;
- the individual purchasing the alcoholic beverage is (1) at least 21 years old; (2) provides valid identification as proof of age; and (3) if the sale is for delivery, provides any documentation the local licensing board requires;
- the license holder has registered and received written authorization from the local liquor licensing board to sell alcoholic beverages under its license for off-premises consumption or delivery;
- each alcoholic beverage sold for off-premises consumption or delivery is (1) provided in the manufacturer's original sealed container or in a container closed with a cap, cork, seal, or lid with no holes for straws or sipping and (2) sold or delivered before 11:00 p.m.;
- the delivery is made to the individual purchasing the alcoholic beverage from the licensed premises by the license holder or the holder's employee who is at least 21 years old and certified in an alcohol awareness program; and
- the alcoholic beverage is not delivered to (1) another premises licensed to sell alcoholic beverages or (2) an address located outside of the licensed jurisdiction.

For restaurants, bars, and taverns with a license that allows alcoholic beverages sales for on- and off-premises consumption, any such law or ordinance may allow the off-premises sale and delivery if:

- the mixed drink or cocktail is purchased along with prepared food other than prepackaged snacks;

- the individual purchasing the mixed drink or cocktail is (1) at least 21 years old; (2) provides valid identification as proof of age; and (3) if the sale is for delivery, provides any documentation the local licensing board requires;
- each mixed drink sold for off-premises consumption or delivery is (1) provided in the manufacturer's original sealed container or in a container closed with a cap, cork, seal, or lid with no holes for straws or sipping and (2) sold or delivered before 11:00 p.m.;
- the delivery is made to the individual purchasing the alcoholic beverage from the licensed premises by the license holder or the holder's employee who is at least 21 years old and certified in an alcohol awareness program; and
- the mixed drink or cocktail is not delivered to (1) another premises licensed to sell alcoholic beverages or (2) an address located outside of the licensed jurisdiction.

**Current Law:** Maryland's 23 counties, Baltimore City, and the City of Annapolis all have boards of license commissioners that issue and enforce retail alcoholic beverages licenses in their jurisdictions.

Within each jurisdiction, the most common types of retail licenses are Class A, Class B, Class C, and Class D licenses. Each license authorizes the sale of alcoholic beverages in a different manner and may authorize the sale of alcohol for on-premises consumption, off-premises consumption, or both. For example, Class B licenses are generally issued to restaurants and allow the sale of alcoholic beverages with food, and Class D licenses are generally issued to bars and taverns and allow the sale of alcoholic beverages without food.

Chapters 140 and 141 of 2021, also allowed restaurants, bars, and taverns to sell and deliver certain alcoholic beverages for off-premises consumption or delivery, as specified, in a jurisdiction in which the local licensing board has adopted regulations to authorize such sales. Local licensing board were authorized to limit the quantity of alcoholic beverages that may be sold or delivered to an individual in a single transaction and may not charge an additional fee to an alcoholic beverages license holder for selling or delivering alcoholic beverages under the bill. Chapters 140 and 141 of 2021 terminated June 30, 2023.

**Small Business Effect:** A small business restaurant or bar that is able to deliver alcoholic beverages under the bill is likely to experience increased sales and revenues.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See HB 12 and SB 205 of 2021.

**Designated Cross File:** SB 833 (Senator Klausmeier) - Finance.

**Information Source(s):** Baltimore City; Kent and Worcester counties; Alcohol, Tobacco, and Cannabis Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - February 15, 2024  
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