

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 506
Economic Matters

Constitutional Amendment - Beer and Wine Licenses - Retail Grocery Establishments

This proposed constitutional amendment, if approved by the voters at the next general election, would authorize a retail grocery establishment in the State to obtain a license to sell beer and wine to individuals who are at least 21 years old beginning on July 1, 2024. The General Assembly must, by law, establish a regulatory and policy framework to govern the issuance of the licenses and prioritize the issuance of licenses for establishments that are located in geographic areas that have a demonstrated lack of affordable healthy food options.

Fiscal Summary

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

Local Effect: If the proposed constitutional amendment is adopted, local expenditures and revenues increase as additional licenses are issued under the bill and the local licensing boards increase enforcement activities for the new licensees.

Small Business Effect: Meaningful.

Analysis

Current Law: Maryland's 23 counties, Baltimore City, and the City of Annapolis all have boards of license commissioners who 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. For example, Class A licenses generally only allow the sale of alcoholic beverages for off-premises consumption, and Class B licenses are generally issued to restaurants and allow the sale of alcoholic beverages with food.

Each local jurisdiction has its own regulatory processes and requirements in place for who can apply for and obtain a license and how many licenses, in total, may be issued for use in the jurisdiction. In general, retail establishments like grocery stores and convenience stores are not permitted to obtain alcoholic beverages licenses in most of the State.

Small Business Effect: If the proposed constitutional amendment is adopted, small business grocery stores are likely to benefit meaningfully from the authority to sell alcoholic beverages under the bill. Conversely, small businesses that are licensed to sell alcoholic beverages under current law are likely to lose business as grocery stores begin to sell alcoholic beverages.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 603 (Senator McCray) - Education, Health, and Environmental Affairs.

Information Source(s): Alcohol and Tobacco Commission; Department of Legislative Services

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