

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1303
Economic Matters

(Delegate Amprey, *et al.*)

Alcoholic Beverages - Class A License - Retail Establishments (Alcoholic
Beverages Modernization Act of 2026)

This bill authorizes a retail establishment to offer to purchase a Class A license from a Class A license holder under specific circumstances. The bill also authorizes a retail establishment to apply to a local licensing board for a Class A license, as specified. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: Local expenditures and revenues may increase, likely minimally and correspondingly, as additional licenses are issued under the bill and the local licensing boards increase enforcement activities for new licensees.

Small Business Effect: Meaningful.

Analysis

Bill Summary:

Definitions

“Food retailer” means a retail establishment that sells at least five specified categories of food items including fresh fruits and vegetables; fresh and uncooked meat, poultry, and seafood; dairy products; canned foods; frozen foods; and dry groceries and baked goods.

The retail establishment must also (1) accept Supplemental Nutrition Assistance Program credits as payment for food and beverages and (2) have a minimum of 4,000 square feet.

“Retail establishment” means an establishment that is a:

- food retailer;
- pharmacy operated by a person that holds a pharmacy permit issued by the State Board of Pharmacy under § 12-401 of the Health Occupations Article; or
- retail service station that sells gasoline and diesel fuel or has on-site electronic charging capabilities for a minimum of six motor vehicles simultaneously; and
- except as specified in the provisions affecting local jurisdictions (Division II of the Alcohol Beverages and Cannabis Article), has a primary entranceway that is at least 300 feet from the nearest point of a place of worship or school, and 100 feet from any residential property not located in the same building or structure as the retail establishment.

Class A License

The bill grants a retail establishment located less than 3,000 feet from a Class A license holder the ability to offer to purchase the Class A license from the license holder. A retail establishment that obtains a license under the bill’s provisions must convert the license, if necessary, to a Class A beer, Class A beer and wine, or Class A beer and light wine license, regardless of the type of Class A license that was purchased.

If a Class A license holder does not accept an offer from the retail establishment, the retail establishment may apply to the local licensing board for a Class A beer or Class A beer and wine license, as specified. Depending upon the types of licenses available in the jurisdiction, the local licensing board must issue to the retail establishment a (1) Class A beer license; (2) Class A beer and wine license; or (3) Class A beer and light wine license.

An application for a Class A beer or Class A beer and wine license from a retail establishment is (1) presumed to be in the best interest of the community and (2) may not be denied for any reason other than a reason traditionally considered by a local licensing board.

Class A License Requirements

A holder of a Class A license issued under the bill’s provisions:

- or an employee designated by the holder, must complete training in an approved alcohol awareness program, as specified;

- must employ sworn security personnel for the public area of the store dedicated to the sale of alcoholic beverages;
- may sell alcoholic beverages between the hours of 9:00 a.m. and 8:00 p.m., Monday through Saturday; and
- may not (1) sell alcoholic beverages by means of a self-scanning cash register or other automated system that is capable of recovering stored information related to the sale price of individual retail items, and operated on a self-service basis by a customer; (2) deliver alcoholic beverages; (3) sell individual cans or bottles of mixed cocktails or malt beverages that are 40 ounces or less; or (4) post any signs on the exterior of the establishment or in the area dedicated to the sale of beer and wine that advertise alcoholic beverages.

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- and off-premises consumption, as specified. 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.

Under current law, a local licensing board may not issue Class A, Class B, or Class D beer license, beer and wine license, or beer, wine, and liquor license for use in conjunction with or on the premises of a chain store, supermarket, or discount house.

Existing statute also prohibits a Class A, Class B, or Class D alcoholic beverages license from being transferred for use in conjunction with or on the premises of a chain store, supermarket, or discount house unless (1) the establishment already holds a Class A, Class B, or Class D license or (2) the license is transferred to a similar type of establishment.

Small Business Effect: Small business retail establishments that obtain a license under the bill's provisions are likely to benefit from the authority to sell alcoholic beverages. Conversely, some small businesses that are licensed to sell alcoholic beverages under the current law are likely to lose business as grocery stores begin to sell alcoholic beverages.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1379 of 2025; SB 1139 and HB 847 of 2024; and HB 938 of 2023.

Designated Cross File: None.

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

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