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Legislative District 9B
Howard County

Economic Matters Committee

Subcommittees

Banking, Consumer Protection,
and Commercial Law

Property and Casualty Insurance

Vice Chair, Democratic Caucus



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 19, 2021

HB0012 (SB0205) Alcoholic Beverages – Sale or Delivery for Off-Premises Consumption

SPONSOR: Delegate Courtney Watson

POSITION: Testimony in Support

Good afternoon Chairman Davis, Vice Chair Dumais and members of the committee. Thank you for allowing me to present House Bill 12.

House Bill 12 would allow restaurants, bars, and taverns to continue the temporary pandemic related ability granted by the Governor's Executive Order, to offer alcoholic beverages to customers along with prepared food purchases in a safe and lawful manner for carryout and delivery.

This bill is the result of a collaborative effort between the Restaurant Association of Maryland and the Maryland State Licensed Beverage Association. HB 12 will put what was allowed by the Executive Order into statute, but with some important guardrails. These safeguards are the result of a robust discussion with liquor board administrators and the industry itself.

The sale of alcohol has always been a necessary component of profit margins for restaurants and bars with alcohol licenses. Allowing the off-premises sale during the pandemic has been a lifeline keeping many of these small businesses alive.

Even before COVID there was growing consumer demand for the convenience of foodservice carryout and delivery. The growth of online and app-based ordering has had a positive impact on restaurant and bar operations which operate on razor-thin profit margins typically between 4-6%.

Updating Maryland laws to reflect changes to consumer preferences protects the investment that businesses make in alcohol licenses.

For those licensees who are, in normal times, not allowed to serve alcohol for carry out or delivery, the law would allow them to do so. This is what the bill requires:

1. It requires alcoholic beverages purchased for carryout or delivery be purchased along with prepared food (not prepackaged food).
2. It requires valid identification of proof of age to ensure that purchasers of alcoholic beverages for carryout or delivery are at least 21 years of age. If delivered, must be delivered by an employee, not by a third party such as Uber or Door Dash.
3. It requires alcoholic beverages sold for carryout or delivery must be in the manufacturer's original sealed container, or in a container with a cap, cork, seal, or lid, with no holes for straws or sipping.
4. It requires appropriate local oversight and enforcement by requiring licensees to register and receive written authorization from local liquor licensing Boards to sell alcoholic beverages for carryout or delivery.
5. It prohibits alcoholic beverages with food for carryout or delivery after 11 p.m.
6. It permits delivery only within the jurisdiction where the license is issued. This is in keeping with the rules we already have for package stores making deliveries.

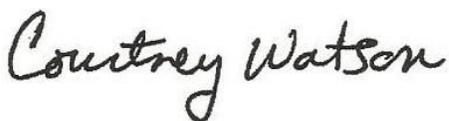
There are some licensees who are already authorized to serve on and off-premises, and the only change for them is that they would now be able to also deliver mixed drinks or cocktails.

You will hear today from multiple industry representatives speaking in support of the bill and there may be differing opinions provided on whether there should be limitations on quantity and how that would be decided. This is a matter that the committee will need to decide.

For two reasons, we ask that the committee approve this bill.

1. The first reason is that the hospitality industry has been gravely impacted by the pandemic and those businesses that survive will require three to four years to recover from the losses of the pandemic related closures. Allowing the temporarily granted ability to become permanent will aid their survival and help them recover in the future.
2. The second reason is that consumers want the convenience of picking up a bottle of wine with their Wednesday night spaghetti, or a six pack of beer with their Thursday takeout barbeque, or a margarita with their Friday night fajitas. Hospitality is different in 2021 than it was in 1980 and it is time to modernize our liquor law in Maryland to allow restaurants to adapt to changing consumer preferences.

We respectfully request a favorable report from the committee. Thank you.

A handwritten signature in black ink that reads "Courtney Watson". The signature is written in a cursive, flowing style.

Delegate Courtney Watson

Howard County District 9B