



**MARYLAND STATE
LICENSED BEVERAGE ASSOCIATION**

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TO: The Honorable C.T. Wilson, Chair
Members, House Economic Matters Committee
The Worcester County Delegation

FROM: J. Steven Wise
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DATE: February 21, 2022

RE: **OPPOSE** – House Bill 1123 – *Worcester County – Alcoholic Beverages – Class L License*

The Maryland State Licensed Beverage Association (MSLBA), which consists of approximately 1,000 Maryland businesses holding alcoholic beverage licenses (restaurants, bars, taverns, and package stores), **opposes** House Bill 1123.

This legislation would establish a Class L license that can be obtained by any manufacturer (brewery, winery, or distillery), and would allow the manufacturer to sell beer, wine, and liquor and to offer free samples of it. This privilege essentially turns every brewery, winery, and distillery into a bar.

Maryland has a longstanding policy of allowing manufacturers to sell only products which they manufacture at their location. This bill and other alcohol bills before the Committee will change this policy by allowing manufacturers either to sell ALL alcohol products made by anyone or allow them to sell alcohol products made by any Maryland manufacturer. Manufacturers should not be bars under the three-tier system, but that is exactly what these bills or the proposed amendments permit to happen.

Every year now for the better part of the last 15 years, the State's manufacturers have introduced bills that erode the three-tier system of alcohol distribution, under which manufacturers were prohibited from selling alcoholic beverages to customers at all. The erosion began with the offering of small samples of their own products on guided tours but continued with efforts to sell larger and larger amounts. These efforts were presented as a way for the manufacturers to better market their own products. But the biggest change came several years ago when the brewers obtained authority from the Legislature to operate tap rooms. MSLBA resisted this change because we knew what the next step was – manufacturers selling not just their own products but all alcoholic beverages, just like a bar. This legislation represents the predicted next step. This is no longer about marketing their own products, but about being a general retailer of all alcoholic beverages.

MSLBA urges the Committee to reject this legislation. If our distribution system is to have any integrity left at all, this change should not be permitted.

For more information call:

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