



**MARYLAND STATE
LICENSED BEVERAGE ASSOCIATION**

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

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

RE: **OPPOSE** – House Bill 281 – *Washington County – Alcoholic Beverages – Special Event Permits for Wineries – Sunset Repeal*

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 281.

This legislation allows a winery in Washington County to obtain a special event permit, which can be used on 60 occasions each year, under which the winery can serve all alcoholic beverages, not just their own. This legislation is due to sunset in 2023. We do not believe any action is needed at this time, given the sunset does not expire until after the 2023 Session, but there are also more substantive reasons it should not pass.

Maryland has a longstanding policy of allowing manufacturers (Class 5 Brewers, Class 1 Distillers and Wineries) 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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