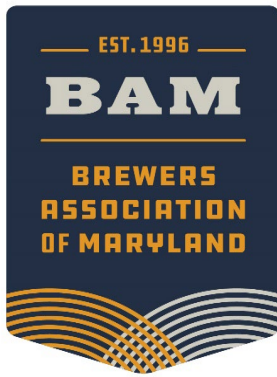


MARYLAND ASSOCIATIONS OF ALCOHOL MANUFACTURERS - S

Uploaded by: Brad Rifkin

Position: FAV



MARYLAND ASSOCIATIONS OF ALCOHOL MANUFACTURERS HB550/SB476

POSITION: SUPPORT THE 6-MONTH SUNSET EXTENSION FOR THE PRIVILEGES SET FORTH IN HB1232/SB821 FROM LAST SESSION.

BILL SUMMARY: In recognition of the devastating and ongoing economic impact to small businesses due to the COVID19 pandemic (including the prevalence of new variants) and the current consumer expectations, HB550/SB476 proposes a 6-month sunset extension (from December 31st, 2022 to June 30th, 2023) on the privileges codified in the passage of HB1232/SB821 last session.

RATIONALE: The members of the alcohol manufacturing industry help support thousands of jobs across the state and generate billions of dollars in economic impact. **Yet, due to the precipitous decline of on-premise visitation at Maryland's breweries, wineries and distilleries, our members were forced to overhaul our collective business operations overnight in order to survive. In so doing, we had no choice but to shift our focus to off-premise sales in order to stay in business and keep Marylanders employed.**

This legislation ensures that the state does not jeopardize the economic viability of Maryland's alcohol manufacturing industry – given the harsh and unpredictable realities caused by the COVID19 pandemic. As we all witnessed this past fall with the rise and spread of the Omicron variant, the pandemic (and resulting impact on certain businesses) is still with us. We cannot run the risk that the off-premise delivery and shipping privileges (already granted by the General Assembly) cease during the winter months. That is why we support an additional 6-month extension. Certainly, another extension may be warranted during the 2023 legislative session as well depending on the relevant circumstances.

A REMINDER ON LAST YEAR – WHAT DID HB 1232/SB821 FROM 2021 DO?

- **CODIFIED OFF-PREMISE DELIVERY AND SHIPPING:** Granted Maryland's 275 alcohol manufacturers the right to deliver their products using an employee (§2-219) or to directly ship their products using a third-party common carrier (§2-219) to Maryland consumers without caps (§2-202 & §2-207). Note that wineries already have the statutory right under Maryland law to ship product using a common carrier (this bill extends that privilege to breweries and distilleries while streamlining the process for all three). The proposed legislation also provides flexibility for the Alcohol and Tobacco Commission to set fees for statewide licenses and permits.
 - **CREATED A SINGLE MANUFACTURER OFF-SITE PERMIT (§2-130):** Struck individual permits for wineries, breweries and distilleries in an effort to consolidate and make consistent the language and authorities granted. With some manufacturers now holding multiple licenses (winery, brewery, etc.), they are currently obtaining up to three
-

different—and conflicting—off-site permits annually. This bill also eliminates the current 3,000-barrel conditional production threshold for a Class 5 or Class 7 brewery to obtain an off-site permit. *This promotes equitable treatment for all three manufacturers. It is based on existing law and previous precedent within consensus legislation over the last few years.*

- **CREATED A NEW BREWERY SPECIAL EVENT PERMIT (§2-140):** Struck the “promotional event permit” from the Class 5 and Class 8 statutes. The new “Brewery Special Event Permit” is based off existing authorities and previous agreements. The existing language and lack of continuity within each license creates gray areas requiring constant interpretation by the Comptroller’s office. This legislation makes clear the permit holder’s authority during an event. *This will help ensure a clear interpretation for permit applicants, the permit issuer and localities seeking clarification from the permit holder. It is based on existing law and previous precedent within consensus legislation over the last few years.*
- **CLARIFIED CONFLICTING STATUTE (§2-210):** Adds the authority to sell for off-premise consumption back into the Class 8 Farm Brewery. Makes consistent the consensus self-distribution caps. *This is to address unintentional conflicting language caused by the 2019 Brewery Modernization Act.*

NOTABLE INDUSTRY STATISTICS

According to the *Value-Added Agriculture in Maryland Economic Analysis* (2020), the members that make up the Maryland Alcohol Manufacturers:

- **Account for over 275 wineries, breweries, distilleries, cideries and meaderies.**
- **Bring an annual estimated total economic impact of \$3.4 billion.**
- **Generate an annual \$52 million in tax revenue.**
- **Support over 8,500 jobs in the tourism, agriculture, hospitality, and manufacturing industries.**

PLEASE SUPPORT YOUR LOCAL ALCOHOL MANUFACTURERS AND PASS HB550/SB476!

For more information please contact: Brad Rifkin (RWL), Matt Bohle (RWL) or Camille Fesche (RWL) at 410-269-5066

Letter to Annapolis supporting shipping.pdf

Uploaded by: Brian Treacy

Position: FAV



March 3, 2022

Education, Health & Environmental Affairs Committee
Senator Paul G. Pinsky, Chair
2 West
Miller Senate Office Building
Annapolis, Maryland 21401

Dear Mr. Chair, Madam Vice Chair and Members of the Committee,

My name is Brian Treacy and I am President of Distillery Operations at Sagamore Spirit, a Baltimore-based rye whiskey distillery. I am writing to you to request your support of shipping distilled spirits within Maryland.

This new consumer channel has been incredibly important for our business and has both saved and created jobs. Small distilleries like ours have made sizable investments in ecommerce platforms, as well as compliance training and coordination with logistic companies such as the United Parcel Service.

Moreover, shipping our products to Maryland residents helps us remain competitive with larger suppliers and online retailers who do not carry our products.

We are eager to welcome guests to our distillery as COVID numbers decrease, but another contagious variant could thwart our plans in the fall. Keeping this option open allows for a seamless transition, should we need to shutter our doors again.

Thank you in advance for your support.

Sincerely,

Brian Treacy
Co-Founder & President of Distillery Operations

SB476 – Alcoholic Beverages – Manufacturer’s Licen

Uploaded by: Dakota Matthews

Position: FAV



John Hartline, Chair

50 Harry S. Truman Parkway • Annapolis, MD 21401
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Email: rmc.mda@maryland.gov
Website: www.rural.maryland.gov
Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 476 – Alcoholic Beverages – Manufacturer’s Licenses and Off- Site Permits
Senate Education, Health, and Environmental Affairs Committee
March 04, 2022

The Rural Maryland Council supports Senate Bill 476– Alcoholic Beverages – Manufacturer’s Licenses and Off- Site Permits. This bill will extend provisions of the Executive Order privileges put in place during the pandemic for the State’s wineries, breweries, and distillers to distribute their product. This bill will allow a holder of a manufacturer’s license to deliver their product to an individual located in the State and directly ship their product to a consumer upon request. These provisions were extended last year though Chapters 359 and 360 but are set to end on December 31, 2022. This bill will allow the provisions to be extended until June 30, 2023.

Maryland’s distilleries, wineries, and breweries promote economic development, value-added agriculture, and manufacturing as they not only produce beverages but create destinations that attract tourists. According to data from the *Value-Added Agriculture in Maryland* by Grow & Fortify and BEACON, the combined value-added impact of these three industries was over \$1 billion in 2018, supporting more than 9,500 jobs, and adding an estimated \$52 million to state and local tax revenue. The pandemic greatly impacted this industry with close to 500 layoffs. The authorization for direct-to-consumer delivery and shipment services has created a new lifeline for sales and kept many doors open during these unprecedented times.

The Rural Maryland Council supports the value-added agriculture industry as it enables farms to transition into diversified production. SB-476 further enhances this type of agriculture by providing delivery and shipping options for the State’s value-added craft beverages. The Council requests your favorable support of Senate Bill 476 – Alcoholic Beverages – Manufacturer’s Licenses and Off-Site Permits.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.

“A Collective Voice for Rural Maryland”

Mayor Day SB 476 FAV Testimony.pdf

Uploaded by: Jacob Day

Position: FAV



City of Salisbury

Jacob R. Day, Mayor

04 March 2022

Committee: Education, Health, and Environmental Affairs

Testimony on: SB 476 – Alcoholic Beverages - Manufacturer's Licenses and Off-Site Permits - Sunset Extension

Position: Favorable

Dear Members of the Education, Health, and Environmental Affairs Committee,

As you consider the merits of **SB 476**, I ask that you **support** this impactful legislation and vote to give **SB 476** a **Favorable** Committee report.

The City of Salisbury supports SB 476, which will extend the sunset clause for provisions relating to alcoholic beverages manufacturer's licenses and off-site permits. This bill is essential as it will support small businesses that are still working to recover from the detrimental financial impacts of the COVID-19 pandemic.

Thousands of hardworking Marylanders from across our state are employed within the alcohol manufacturing industry. As the pandemic began to alter how we live and work, many Maryland breweries, wineries, and distilleries were quick to adapt in order to remain operational and to keep their dedicated workforce gainfully employed. SB 476 is both simple and straightforward. By granting a six-month extension to the privileges codified through HB 1232 and SB 821 last Session, Maryland breweries, wineries, and distilleries will have time to help ensure a more seamless transition as they take measures to safely and responsibly resume on-premise operations.

I ask for your **support** of this legislation which will enable Maryland businesses to prosper.

Respectfully,

Jacob R. Day
Mayor

SB476 Sponsor Testimony.docx.pdf

Uploaded by: Katie Fry Hester

Position: FAV

KATIE FRY HESTER
Legislative District 9
Carroll and Howard Counties

Education, Health, and
Environmental Affairs Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



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KatieFry.Hester@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB476 - Alcoholic Beverages - Manufacturer's Licenses and Off-Site Permits- Sunset Extension

March 4th, 2022

Chairman Pinsky, Vice-Chair Kagan, and members of the Education, Health, and Environmental Affairs Committee, thank you for your consideration of Senate Bill 476, which will extend the sunset dates for various provisions related to licensing and off-site permits by one more year.

As testimony from last year stated: these changes allow greater flexibility for manufacturers in selling and delivering their product directly to consumers, and create new off-site and brewery special event permits. Manufacturers have depended on these changes during the pandemic to keep their doors open, and as the Delta and Omicron waves of COVID-19 have shown, this pandemic may still impact businesses profoundly into 2023. As a demonstration of continued support, these provisions should be extended beyond the 2023 legislative session to ensure that they do not expire without this body's explicit approval, which also brings our timeframe in line with that for restaurant delivery.

Local alcohol manufacturers are an important part of the Maryland economy and culture. As the advocates with us today will attest to, these changes have been essential in helping manufacturers stay in business throughout the pandemic, and with the pandemic still affecting all aspects of life, the sunset date should be extended. For these reasons, **I respectfully request a favorable report on Senate Bill 476.**

Sincerely,

A handwritten signature in black ink that reads "Katie Fry Hester".

Senator Katie Fry Hester
Carroll and Howard Counties