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February 16, 2023

The Honorable C.T. Wilson, Esq.
Taylor House Office Building, Room 231
6 Bladen Street, Annapolis, MD 21401

RE: HB 787 Alcoholic Beverages - Retail Delivery - Alterations and Third-Party Delivery Service Permit

Dear Chairman Wilson, Delegate Atterbeary, and Members of the Economic Matters Committee,

On behalf of TechNet's member companies, I respectfully submit this letter of support on HB 787, regarding alcohol delivery.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over five million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance. TechNet has offices in Austin, Boston, Chicago, Denver, Harrisburg, Olympia, Sacramento, Silicon Valley, and Washington, D.C.

TechNet seeks to encourage, enable, and advance American leadership in innovation. The sharing economy is creating new jobs and income opportunities in every corner of the country, allowing people to work independently and on discretionary schedules, use their personal property and skills to generate income, help them expand their businesses, and provide for themselves and their families. HB 787 recognizes this unique nature of the sharing economy.

Safe and successful alcohol delivery, through employees, has been legal in many Maryland counties. HB 787 expands on existing law by allowing liquor stores the option of contracting with third party services instead of using their own employees, which would level the playing field. Many liquor stores in Maryland are currently allowed to deliver, but they must use their own employees to do so. Smaller, independent liquor stores often have difficulty affording the staffing for the technical know-how to fulfill delivery orders, and are at a disadvantage to those larger, well-resourced stores. Customers are also increasingly looking to have alcohol delivered the same way as groceries and

meals, but many liquor stores in Maryland are shut out of this growing revenue opportunity.

The bill requires several safety measures to ensure alcohol is delivered safely and responsibly, including:

- Third party delivery services must be permitted by the Maryland Alcohol and Tobacco Commission, which will also have oversight to regulate third party delivery services and ensure compliance
- All delivery drivers must be 21 years of age or over and have received an alcohol education and compliance course
- Delivery drivers must verify the identification of the recipient at the time of delivery

The bill also requires delivery services to hold general liability insurance and submit their contracts with liquor stores to the Alcohol and Tobacco Commission for approval. The Alcohol and Tobacco Commission is empowered to revoke the delivery permit of any third-party delivery service that is not adhering to the strict safety protocols specified in the legislation. This bill works within Maryland's long-standing alcohol framework that delegates most alcohol regulation to local licensing boards. Third-party delivery will only be permitted by those liquor stores who have been authorized to make deliveries by their local boards.

Finally, HB 787 would also open significant earning opportunities for gig workers that choose to make deliveries on third party platforms because alcohol deliveries are usually higher value than food deliveries. In turn, this translates into higher delivery pay and higher tips for drivers.

Allowing third party alcohol delivery will positively impact the citizens of Maryland, and especially for consumers and gig workers doing deliveries. Thank you for your consideration of this important issue. Please reach out should you have any questions.

Sincerely,

Margaret Durkin

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