

**[MD] SB 456\_TechNet\_pdf.pdf**

Uploaded by: margaret durkin

Position: FAV



**TECHNET**  
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February 22, 2024

The Honorable Pam Beidle  
Chair  
Senate Finance Committee  
Maryland Senate  
3E Miller Senate Office Building  
11 Bladen Street  
Annapolis, MD 21401

*RE: SB 456 (A. Washington) - Alcoholic Beverages – Retail Delivery – Local Delivery Service Permit – TechNet Support.*

Dear Chair Beidle and Members of the Committee,

On behalf of TechNet, I'm writing to offer comments on SB 456 related to 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 4.2 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. SB 456 recognizes this unique nature of the sharing economy.

Safe and successful alcohol delivery, through employees, has been legal in many Maryland counties. SB 456 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 delivery drivers must be 21 years of age or over and have received an approved alcohol awareness program. And delivery drivers must verify the identification of the recipient at the time of delivery.

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, SB 456 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*

Margaret Durkin  
TechNet Executive Director, Pennsylvania & the Mid-Atlantic

# **FINAL 2024 MD SB456 Testimony - Robert Melvin**

Uploaded by: Robert Melvin

Position: FAV



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*Free Markets. Real Solutions.*  
[www.rstreet.org](http://www.rstreet.org)

Testimony from:

Robert Melvin, Senior Manager, State Government Affairs for the Northeast Region, R Street Institute

Testimony in Support of SB 456 “Alcoholic Beverages-Retail Delivery-Local Delivery Service Permit.”

February 23, 2024

Maryland Senate Finance Committee

Chairwoman Beidle and members of the committee,

My name is Robert Melvin, and I am the senior manager of state government affairs for the Northeast region with the R Street Institute. The R Street Institute is a nonprofit, nonpartisan public policy research organization. Our mission is to engage in policy research and outreach to promote free markets and limited, effective government in many areas. Our work includes the analysis and promotion of rational alcohol policies that consider consumer choice, free enterprise and public safety. We are also one of the only nonpartisan think tanks in the country that analyzes alcohol laws and regulations. This is why we have a particular interest in Senate Bill 456.

SB 456 would create a local delivery service permit that grants third-party delivery services with the ability to bring alcoholic beverages from an off-premise retail license holder, such as a liquor store, directly to a consumer’s doorstep. This measure would only apply to jurisdictions that adopt policies sanctioning the delivery of alcoholic beverages from package stores by third-party delivery services.

Currently, the vast majority of states permit delivery from off-premise retail stores, with 43 authorizing the practice.<sup>1</sup> Of these, six states only allow store employees to consign alcohol, whereas all others sanction the use of third-party delivery services.<sup>2</sup> Maryland does have employee-only delivery in some localities, but doesn’t permit this practice for third-party delivery services.<sup>3</sup> Allowing off-premise retail stores to use third-party delivery services to dispatch alcohol to consumers in Maryland would have numerous positive outcomes. It could alleviate issues related to understaffing at these stores, and enable small liquor stores to grow their businesses and meet customer needs and preferences with the potential to reduce opportunities for drunken driving.

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<sup>1</sup> C. Jarrett Dieterle, R Street Institute, “Capturing the COVID Booze Wave, Part 2-It’s Tsunami Time,” September 16, 2023: <https://www.rstreet.org/commentary/capturing-the-covid-booze-wave-part-2-its-tsunami-time/>

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

Employers across Maryland are struggling to fill open positions.<sup>4</sup> Smaller employers, such as mom-and-pop liquor stores, that want to grow and expand, are often prevented from doing so because of the inability to afford the cost of in-house delivery staff.<sup>5</sup> Permitting these businesses to partner with third-party delivery platforms can have an amplifying effect on their bottom-line by creating new market-access channels. In fact, data suggests that off-premise retail stores that are permitted to partner with third-party delivery platforms see an increase of revenues by 30-50 percent.<sup>6</sup> Once again, it is small, independent package stores that are most likely to benefit from this revenue increase—as opposed to larger retailers that are more able to absorb the cost of on-site delivery personnel.

Sales and staffing issues aren't the only consideration, especially when the sale of a regulated product like alcohol is involved, and public safety must also be considered. Allowing third-party delivery platforms to distribute alcohol from Maryland package stores will not only give adult consumers more options for obtaining alcohol through convenient methods, but at the same time it can promote public safety.<sup>7</sup>

Specifically, we at the R Street Institute have researched alcohol delivery reforms, including analyzing any potential correlation with externalities such as drunk driving. According to our research, we have found that there was no correlation between states that reformed their to-go or delivery alcohol laws during COVID-19 and alcohol-impaired driving fatalities.<sup>8</sup> Of note, several states that prohibited alcohol delivery had some of the highest increases in drunk driving deaths.<sup>9</sup> Likewise, many states that restricted alcohol delivery experienced larger increases in overall drinking rates, compared to those that permitted delivery.<sup>10</sup> These trends do not demonstrate causation, but they do underscore that alcohol delivery does not correlate with more drinking and more drunk driving.

In fact, by granting third-party delivery platforms to carry out delivery from liquor stores, Maryland could reduce drunken driving.<sup>11</sup> Authorizing alcohol delivery from package stores can ensure that individuals

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<sup>4</sup> David Collins, WBAL TV 11, NBC Affiliate, "Maryland businesses struggling to fill jobs," December 1, 2023: <https://www.wbal.com/article/maryland-businesses-struggle-fill-jobs-lowest-unemployment-rate/45996058>; Lorraine Mirabella, *The Baltimore Sun*, "Maryland has the lowest jobless rate in the nation. For employers, that's a challenge," November 26, 2023: <https://www.baltimoresun.com/2023/11/26/maryland-has-the-lowest-jobless-rate-in-the-nation-for-employers-thats-a-challenge/>

<sup>5</sup> Ibid.

<sup>6</sup> Diana Donovan, DoorDash, "Alcohol Pickup & Delivery Consumer Trends for 2023," May 23, 2023: <https://get.doordash.com/en-us/blog/top-alcohol-trends-post-covid>

<sup>7</sup> DoorDash, "DoorDash Launches Industry-Leading Safety Features for Alcohol Delivery," February 20, 2022: <https://about.doordash.com/en-us/news/doordash-launches-industry-leading-safety-features-for-alcohol-delivery-specificly>

<sup>8</sup> C. Jarrett Dieterle, R Street Institute, "The Facts About To-Go Alcohol and Drunk Driving: The COVID-19 Experience," June 2022: [https://www.rstreet.org/wp-content/uploads/2022/06/ULTIMATE\\_policy-short-no-114-REVD.pdf](https://www.rstreet.org/wp-content/uploads/2022/06/ULTIMATE_policy-short-no-114-REVD.pdf)

<sup>9</sup> Ibid.

<sup>10</sup> C. Jarrett Dieterle, R Street, Institute, "The Data Is In: Alcohol Delivery and Consumption During COVID-19," April 2023: <https://www.rstreet.org/research/the-data-is-in-alcohol-delivery-and-consumption-during-covid-19/>

<sup>11</sup> Monitech Ignition Interlock Systems, "Drizly App May Reduce Drunk Driving," June 20, 2014: <https://monitechnc.com/drizly-app-reduce-drunk-driving/>

who may have already imbibed will have other options to obtain products rather than getting behind the wheel of a vehicle and jeopardizing lives—a view held by four out of five Americans.<sup>12</sup>

Finally, our organization recently released a report on alcohol delivery Best Practices. SB 456 meets many of the criteria outlined in our report by carefully balancing increased consumer choice with necessary public safety considerations, such as those related to preventing underage access.<sup>13</sup>

We urge you to consider these important facts as you consider SB 456. This measure meets many of the R Street Institute’s best practices related to regulation of alcohol delivery. In addition, it will allow adult consumers to have more choice related to obtaining alcohol from their local liquor stores, help fill employee shortages at these independent businesses and allow them to compete with larger off-premise retail stores that provide delivery by onsite employees. Most importantly, it will not result in increased negative consequences such as drinking and driving, and could actually reduce drunk driving in the state. For these reasons, I strongly urge a favorable report on SB 456.

Thank you,

Robert Melvin  
Senior Manager, Government Affairs for the Northeast Region  
R Street Institute  
[rmelvin@rstreet.org](mailto:rmelvin@rstreet.org)

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<sup>12</sup> Heather Reinblatt, *Circuit*, “American’s shared their experiences with alcohol delivery services,” April 28, 2022: <https://getcircuit.com/route-planner/blog/alcohol-deliveries-pros-and-cons>

<sup>13</sup> C. Jarrett Dieterle, R Street Institute, “How to Regulate Alcohol Delivery,” February 2024: <https://www.rstreet.org/wp-content/uploads/2024/02/FINAL2-r-street-policy-study-no-299.pdf>

# **SB0456\_FWA\_MSLBA\_Alc. Bev. - Retail Delivery - Loc**

Uploaded by: Steve Wise

Position: FWA





**MARYLAND STATE  
LICENSED BEVERAGE ASSOCIATION**

150 E Main Street, Suite 104, Westminster, MD 21157

TO: The Honorable Pam Beidle, Chair  
Members, Senate Finance Committee  
The Honorable Alonzo T. Washington

FROM: J. Steven Wise  
Pamela Metz Kasemeyer  
Danna L. Kauffman  
Andrew G. Vetter

DATE: February 23, 2024

RE: **SUPPORT WITH AMENDMENT** – Senate Bill 456 – *Alcoholic Beverages – Retail Delivery – Local Delivery Service Permit*

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The Maryland State Licensed Beverage Association (MSLBA), which consists of approximately 800 Maryland businesses holding alcoholic beverage licenses (restaurants, bars, taverns and package stores), **supports with amendment** Senate Bill 456.

Senate Bill 456 would create a permit that can be obtained by a delivery service that contracts with a licensed retailer. The permit would allow the service to make deliveries on behalf of the licensed retailer. In 2023, MSLBA had numerous issues with this legislation but during the interim worked with the bill sponsors and representatives of Door Dash to create a better structure for such a permit. The changes made include allowing local liquor boards to determine whether they even want to allow such deliveries. Second, the bill restricts deliveries to within the jurisdiction that issues the permit, so that the territory of delivery is the same as if the licensed retailer were making the delivery using their own employees, which is allowed under current law. Finally, the bill ensures that alcohol sales are made by the licensed retailer and not by the delivery service.

An amendment has also been agreed to that will provide the Alcohol, Tobacco, and Cannabis Commission (ATCC) with some authority to regulate delivery service permit holders should it be necessary. Because the ATCC has domain over alcohol transportation and over trade practices, which prohibit disparate treatment among retailers, MSLBA believes this additional authority is appropriate.

With these amendments, MSLBA believes that its principal concerns have been addressed.

**For more information call:**

J. Steven Wise  
Pamela Metz Kasemeyer  
Danna L. Kauffman  
Andrew G. Vetter  
410-244-7000

# **MDDCSAM SB 456 alcohol delivery.pdf**

Uploaded by: Joseph Adams, MD

Position: UNF



*MDDCSAM is the Maryland state chapter of the American Society of Addiction Medicine whose members are physicians and other health providers who treat people with substance use disorders.*

**SB 456 Alcoholic Beverages – Retail Delivery – Local Delivery Service Permit**

Senate Finance Committee February 23, 2024

**UNFAVORABLE**

The availability of alcohol by home-delivery was expanded during the Covid pandemic as an understandable attempt to protect businesses. However, studies over the last several years have consistently found that home delivery is associated with an increase in alcohol consumption patterns more likely to result in harms such as heavy drinking or binge drinking.

In a study of the effect of home delivery on alcohol consumption volumes, **adults who had alcohol delivered (vs. not delivered) reported consuming 60% more wine, and approximately three times more spirits.** (Trangenstein 2023).

In a 2023 study, **alcohol delivery was associated with six times higher odds of drinking at hazardous/harmful levels.** In addition, persons  $\leq 25$  years who had alcohol delivered were significantly more likely to report never having their identification verified vs. those purchasing in-person. (Colbert 2023).

In a 2021 study, **alcohol delivery was associated with a 75% greater likelihood of heavier drinking than in-person purchases.** (Huckle 2021).

In 2022, it was found that **individuals having alcohol delivered consumed more drinks, drank on more days, and were nearly two times more likely to engage in binge drinking than participants who purchased alcohol in-person.** The authors conclude that it is important for states to consider the potential public health implications of home delivery. (Grossman 2022).

**Alcohol use is the fifth leading cause of preventable death in the U.S.** (NIAAA), leading to over 140,000 deaths and 3.6 million years of potential life lost (YPLL) each year in the United States from 2015 – 2019, shortening the lives of those who died by an average of 26 years. Alcohol use was responsible for 1 in 5 deaths among adults aged 20-49 years. (CDC)

Problems associated with alcohol use include high blood pressure, heart disease, stroke, liver disease, digestive problems, cancer (of the breast, mouth, throat, esophagus, voice box, liver, colon, and rectum), dementia, poor school performance, depression, anxiety, social and family problems, unemployment, impaired immune function, and alcohol use disorder. (CDC)

Respectfully,

Joseph A. Adams, MD, FASAM, Board certified in internal medicine and addiction medicine

(continued . . .)

## REFERENCES:

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free: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7753625/>

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<https://www.cdc.gov/alcohol/fact-sheets/alcohol-use.htm> (Accessed Feb 2024)

**SB456-3rd-party-delv-ATCN-UNF-2024.pdf**

Uploaded by: Raimee Eck

Position: UNF



*Mission: To improve public health in Maryland through education and advocacy* *Vision: Healthy Marylanders living in Healthy Communities*

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**SB456: Alcoholic Beverages – Retail Delivery – Local Delivery Service Permit (“3<sup>rd</sup> party delivery”)**

**Hearing Date: February 23, 2024**

**Committee: Finance**

**Position: Unfavorable**

On behalf of the Maryland Public Health Association’s Alcohol, Tobacco & Cannabis Network, we would like to thank you all for your work to evaluate and establish alcohol regulations that will keep our youth and communities safe. We are opposed to SB456, which would allow for third party delivery services to deliver alcohol.

Many of our laws and policies regulating the availability and access to alcohol have been based on years of scientific evidence and practice to reduce underage drinking, excessive alcohol consumption, alcohol-related injuries, alcohol-related hospitalizations, and alcohol-related deaths. This legislation does not fall under this umbrella of solid evidence. What we do know is that some studies show that adults who use alcohol delivery services tend to drink on more days, drink heavier on those days, and report binge drinking more frequently.<sup>1,2</sup> Delivery services have also been shown to be used to continue drinking sessions when they otherwise would have ended.<sup>3</sup>

In addition to supporting heavier drinking, there is greater risk of increased youth access. Many delivery service laws use point of delivery ID checks. Compliance checks on these systems with underage youth find failure rates up to 58% of the time,<sup>3,4</sup> compared with traditional brick and mortar businesses, which may have positive compliance rates of 80-99% of the time.<sup>5</sup>

Also at issue is the circumventing of local planning and zoning for alcohol availability. Local liquor boards issue licenses and permits that allow a certain amount of access to alcohol in the community. Delivery negates these planning considerations and increases the access and availability of alcohol in a community.<sup>6</sup>

Further, this legislation provides for no type of enforcement resources or surveillance for local jurisdictions. Enforcement is difficult and very costly, which is also one reason why data is sparse. Of concern is also the issue of what entity or person is responsible, should delivery sales be made to intoxicated or underage persons or without checking an ID (e.g., leaving the alcohol on the doorstep).

Delivery drivers also have no incentive NOT to deliver the alcohol, as they are reliant on tips from customers. Cancelling a delivery involves not only losing a tip, but then losing paid time due to the trip back to the store and the time to return the product. It is also concerning that a delivery driver is the one responsible for assessing whether the recipient is intoxicated or whether the ID is fake. Retail outlets are better equipped to refuse sales and adequately check IDs. It also presents an opportunity for a brick and mortar retailer to essentially turn into a warehouse for online orders.

Various regulations around alcohol have been gradually relaxed, initially presented as a way to address declining sales due to COVID-19; we then saw an increase in alcohol sales nationwide. Increased alcohol sales accompanied by worsening mental health issues among Marylanders is a real concern for professionals and for our communities. Increasing access to alcohol leads to an increase in consumption and related harms, including mental health and substance use disorders.

We urge an unfavorable report on SB456.

*The Maryland Public Health Association (MdPHA) is a nonprofit, statewide organization of public health professionals dedicated to improving the lives of all Marylanders through education, advocacy, and collaboration. We support public policies consistent with our vision of healthy Marylanders living in healthy, equitable, communities. MdPHA is the state affiliate of the American Public Health Association, a nearly 150-year-old professional organization dedicated to improving population health and reducing health disparities that plague our state and our nation.*

1. Huckle T, Parker K, Romeo JS, Casswell S. Online alcohol delivery is associated with heavier drinking during the first New Zealand COVID-19 pandemic restrictions. *Drug Alcohol Rev.* 2021;40(5):826-834.
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