



1411 K Street N.W.
Suite 900
Washington, D.C. 20005
202-525-5717

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Testimony from:
Robert Melvin, Northeast Region Director, R Street Institute

Testimony in Support of MD HB 770: “Baltimore County – Alcoholic Beverages – Sale or Delivery for Off-Premises Consumption.”

February 17, 2025

Maryland House Economic Matters Committee

Chairman Wilson and members of the committee,

My name is Robert Melvin, and I am the Northeast Region Director with the R Street Institute. The R Street Institute is a nonprofit, nonpartisan public policy research organization. Our mission is to engage in policy analysis and outreach to promote free markets and limited, effective government. One area of focus for us is the examination and promotion of sensible alcohol policies that balance consumer choice, free enterprise, and public safety. The R Street Institute is also one of the only think tanks in the country analyzing alcohol laws and regulations. As such, House Bill 770 is of particular interest to us.

While the COVID-19 pandemic presented many challenges, it also prompted states and localities to reexamine long-standing regulations, including those governing alcohol policy. Prior to March 2020, there was not a single state that permitted restaurants to deliver or serve cocktails to-go. By the fall of 2022, however, 38 states had implemented temporary measures permitting restaurants to sell alcohol to-go or for delivery.¹

As states lifted COVID-19 pandemic restrictions, lawmakers found that reforming antiquated alcohol rules was immensely popular with the public.² According to the National Restaurant Association, surveys found that between 70% and 85% of residents supported making permanent the ability to purchase alcohol with takeout and delivery food orders.³ This widespread support led 33 states and the District of

¹ C. Jarrett Dieterle, R Street Institute, “The Data Is In: Alcohol Delivery and Consumption During COVID-19.” April 18, 2023: <https://www.rstreet.org/research/the-data-is-in-alcohol-delivery-and-consumption-during-covid-19/>

² Carl Campanile, “New Yorkers want to keep booze flowing in post-coronavirus food delivery,” New York Post, July 7, 2020. <https://nypost.com/2020/07/07/newyorkers-want-to-keep-booze-in-post-coronavirus-food-delivery>
Tim Keenan, “Survey: Michigan Consumers Say Yes to Take-out Cocktails,” DBusiness, May 29, 2020. <https://www.dbusiness.com/daily-news/survey-michigan-consumers-say-yes-to-take-out-cocktails>.

³ National Restaurant Association, “Alcohol to-go might be magic potion for struggling restaurants,” July 20, 2020: <https://restaurant.org/education-and-resources/resource-library/alcohol-to-go-might-be-magic-potion-for-struggling-restaurants/>

Columbia to permit third-party delivery of alcohol from retail establishments, while 29 states and the District of Columbia made their laws allowing cocktails to-go permanent.⁴

In Maryland, alcohol to-go was allowed temporarily until June 2023, when provisions of Chapters 140 and 141, adopted in 2021, expired.⁵ If adopted, HB 770 would reestablish and make permanent the ability of restaurants, bars, and taverns to offer carry-out or to-go alcohol sales in Baltimore County. While this measure currently applies only to Baltimore County, we believe it should be considered for expansion to any jurisdiction interested in adopting alcohol to-go policies. However, there are strong reasons to consider even a proposal narrowly focused on Baltimore County.

HB 770 has the potential to significantly bolster restaurant revenues. Some restaurants have reported alcohol-to-go revenues of “just under a million dollars,” according to Spectrum News.⁶ Dining establishments that offer alcohol typically generate over 20% of their income from such sales, making alcohol to-go a valuable revenue stream.⁷ So, it’s no surprise that approximately 90 percent of restaurant operators plan to continue to sell alcohol with carryout orders if state law continues to authorize such sales.⁸

When evaluating alcohol policy reforms, lawmakers should consider not only economic outcomes and consumer preferences but also public safety. At the R Street Institute, we have analyzed alcohol delivery reforms and their potential correlation with externalities such as increased alcohol consumption rates, drunk driving, and underage access. Through our research, we have found that almost every state that permitted delivery and to-go alcohol during COVID-19 witnessed a decrease in youth drinking rates.⁹ Furthermore, states that permitted the alcohol to-go saw a smaller rise in their overall drinking rates compared to those that prohibited delivery.¹⁰

With regards to drunk driving, states that approved alcohol delivery experienced smaller increases in drunk driving deaths during the pandemic—which makes sense, given that home-delivery of alcohol allows consumers to avoid driving back from the bar after numerous drinks.¹¹ These trends do not

⁴ Austin Jenkins, Pluribus News, “Raising the bar: States serve up permanent to-go alcohol laws,” July 24, 2024: https://pluribusnews.com/news-and-events/raising-the-bar-states-serve-up-permanent-to-go-alcohol-laws/?utm_medium=email&utm_campaign=AM%2072424&utm_content=AM%2072424+CID_02de9ab30507b8053d2606123e9000aa&utm_source=Email%20marketing%20software&utm_term=Pluribus%20News

Distilled Spirits Council of the United States, “State Issues and Market Modernization: Cocktails To-Go,” Last accessed January 20, 2025: <https://www.distilledspirits.org/state-issues-market-modernizations/>

⁵ Maryland General Assembly, 2021 Legislative Session, House Bill 12, Last accessed February 22, 2024: <https://mgaleg.maryland.gov/mgaweb/Legislation/Details/hb0012?ys=2021RS>

Maryland General Assembly, 2021 Legislative Session, Senate Bill 205, Last accessed February 22, 2024: <https://mgaleg.maryland.gov/mgaweb/Legislation/Details/SB0205?ys=2021RS&search=True>

⁶ Steve Maugeri, Spectrum News 1, “Restaurants Capitalize on Popularity of Alcohol, Food To-Go and Catering,” May 19, 2023: <https://spectrumnews1.com/oh/columbus/news/2023/05/12/alcohol-and-food-to-go->

⁷ Alicia Kelso, Nations Restaurant News, “National Restaurant Association: Alcohol To-Go is Here to Stay,” June 9, 2023: <https://www.nrn.com/consumer-trends/national-restaurant-association-alcohol-go-here-stay>

⁸ National Restaurant Association, “On The Menu: Trends in On- and Off-Premises Beverage Alcohol,” June 7, 2023: <https://go.restaurant.org/rs/078-ZLA-461/images/National-Restaurant-Association-Alcohol-Trends.pdf>

⁹ C. Jarrett Dieterle, R Street Institute, “Alcohol Delivery and Underage Drinking: A COVID-19 Case Study,” July 2023: <https://www.rstreet.org/wp-content/uploads/2023/07/policy-short-no-128-R5-1.pdf>

¹⁰ C. Jarrett Dieterle, R Street Institute, “The Data Is In: Alcohol Delivery and Consumption During COVID-19,” Apr. 2023: <https://www.rstreet.org/wp-content/uploads/2023/04/policy-short-no-127-R3-1.pdf>

¹¹ 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

indicate causation, but they do help underscore that alcohol delivery does not correlate with increased underage access, more drinking, or more drunk driving.

There could very well be a causal relationship between reduced drunk driving and alcohol delivery. Analyses from other entities likewise suggest that allowing third-party delivery platforms to transport alcohol from retailers to customers' doorsteps could help reduce drunk driving in states like Maryland.¹² By permitting alcohol delivery from both on-premise and off-premise retailers, Maryland could provide safer alternatives for consumers who may have already been drinking, reducing the likelihood of drunk driving. This view is also held by four out of five Americans who believe that alcohol delivery services may help mitigate drunk driving.¹³

The data is clear: carryout and delivery of alcohol from eateries do not lead to higher rates of drunk driving or underage consumption. Moreover, by permitting off-premise sales from restaurants and other retailers, these businesses can generate additional revenue while offering consumers more choice. While we encourage the committee to broaden this legislation to allow any county in Maryland to permit alcohol to-go, we believe that even with its scope limited to Baltimore County that it's a step in the right direction. For these reasons, I ask you for a favorable report of HB 770.

Thank you,

Robert Melvin
Northeast Region State Government Affairs Director
R Street Institute
rmelvin@rstreet.org

¹² Monitech Ignition Interlock Systems, "Drizly App May Reduce Drunk Driving," June 20, 2014: <https://monitechnc.com/drizly-app-reduce-drunk-driving/>

¹³ 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>