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Annapolis, Maryland 21401

Legislative District 40



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Bill: Senate Bill 75

Title: *Alcoholic Beverages - Class A License - Food Retailers*

Committee: Finance

Sponsor: Senator Antonio Hayes

Good afternoon, Chair, Vice Chair, and members of the Finance Committee.

For the record, I am Senator Antonio Hayes, and I am here to present **Senate Bill 75**. This legislation offers a balanced, market-based solution to two pressing issues in our communities: the need to attract and retain full-service grocery stores in underserved areas, and the need to modernize our alcohol licensing laws while respecting existing small business owners.

Many neighborhoods across Maryland, particularly in Baltimore City, struggle with a lack of access to fresh, healthy food. We know that full-service grocery stores operate on incredibly thin profit margins. In many other states, the sale of beer and wine provides the necessary revenue stream that makes a grocery store financially viable. Maryland's current prohibition on chain stores and supermarkets holding alcohol licenses creates a significant barrier to entry, discouraging high-quality grocers from locating in the communities that need them most.

Senate Bill 75 creates a narrow, carefully defined pathway for a "Food Retailer" to obtain a Class A license to sell beer and wine. To qualify as a Food Retailer, a store must be a substantial establishment (at least 3,200 square feet) that offers a full range of fresh foods—including fresh fruits, vegetables, meats, and dairy—and, crucially, must accept Supplemental Nutrition Assistance Program (SNAP) benefits .

This bill is not about flooding the market with new licenses. It includes a unique "purchase first" mechanism designed to protect the equity of existing license holders.

Under SB 75, if a Food Retailer wants to sell alcohol and is located within **3,000 feet** of an existing Class A license holder, they cannot simply apply for a new license. Instead, they must first **offer to purchase the existing license** from that nearby holder at **fair market value**.

- This allows existing small business owners the opportunity to sell their assets for a fair price.
- If the parties cannot agree on a price, the bill provides standing for judicial review to determine fair market value .

Only if the existing license holder *rejects* the offer does the Food Retailer have the right to apply to the local licensing board for a new license .

It is important to note that even if a Food Retailer purchases a full beer, wine, and liquor license, this bill restricts them to selling **only beer and wine** . This ensures that we are supporting the grocery model without expanding the sale of hard liquor in our neighborhoods.

SB 75 creates a presumption that bringing a full-service grocery store into a community is in the best interest of that community. By passing this bill, we can provide a vital economic incentive for grocers to invest in Maryland while treating existing liquor store owners fairly.

This Act will take effect on July 1, 2026. I respectfully request a favorable report on Senate Bill 75.

Position: Favorable