



A BEVERAGE BIZ LOOK AHEAD AT THE MARYLAND 2024

LEGISLATIVE SESSION

WRITTEN BY TEDDY DURGIN

As the next General Assembly session nears, those who fight the good fight for the beverage industry in Annapolis will be focused squarely on two threats. The first is any legislation that seeks to allow beer and wine sales in supermarkets and chain stores. The Maryland State Licensed Beverage Association (MSLBA) has opposed such bills for decades and will continue to do so in 2024.

MSLBA Legislative co-Chair David Marberger of Bay Ridge Wine & Spirits in Annapolis remarks, “The fact that grocery stores are still not selling alcohol is always going to be a big victory . . . as long as that’s a true statement! Sometimes there are different angles from our opposition on that. For us, at the end of the day, there is really no good way for that to be presented. Period! Every year that it goes by that it doesn’t get passed, we consider it a win. We also know that, with that win, comes another attempt the following year. It is a short-lived ‘Hurrah!’ for us, because it’s a perpetual thing. You can never rest on your laurels. We, as retailers, always have to stay focused and paying attention. And we always have to

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The second threat is one the Legislature is currently grappling with: whether to extend the direct shipment privileges it gave to Maryland manufacturers during the COVID-19 crisis, which have been extended every year since. Attorney and MSLBA lobbyist J. Steven "Steve" Wise states, "MSLBA has opposed these extensions in part because of constitutional concerns which were borne out this summer when the State was sued by out-of-state manu-

facturers who contend that the temporary law treats in-state and out-of-state manufacturers differently. The State now faces a choice of ceasing this effort, which is what MSLBA believes should be done, or allowing every manufacturer in the country to ship into Maryland."

Marberger and others saw such a legal challenge happening way before one was filed. He remarked, "No one ever wants to say, 'I told you so!' But we laid out what we thought was going to happen. And, sure enough, it happened!"

MSLBA's other Legislative co-Chair Jack

Milani assured, "Direct shipping will be an important issue in 2024 if only because of the fact that now there is indeed a lawsuit against the State. The Legislature is going to have to decide if they want to open up the market to direct shipping to consumers for every distillery and brewery in the country. That is a question that will have to be answered. Are we going to treat the out of state like we treat the in state?"

Milani, proprietor of Monaghan's Pub in Baltimore, believes another issue state legislators are going to take up in the new year is "Internet gaming and lottery. Our



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concern is what will that do to the brick-and-mortar lottery agents? How will it affect those folks who sell the lottery in their stores and restaurants? Being able to play online, will that take away foot traffic?"

All three men interviewed for this piece stressed the need for beverage business professionals to band together, reach out to their local lawmakers, and stand up for themselves and their industry. According to Marberger, "every four years, it's a different group of legislators. Some years, it's a massive change of elected officials. Most, though, want to come back for another four-year term. But you never know what a new elected official's mindset is. What is his or her background? Where do they come from? How are they going to perceive the different topics."

Wise concurred, adding, "Speak up! Too many industry members assume someone else is doing the work needed to keep the industry healthy. Trade associations are very effective bodies, but only if members participate. . . . Good defense wins games, so it isn't always what we get passed dur-

ing the legislation session. It is sometimes what we prevent from passing. Holding off the supermarket legislation in the 2023 Session was a big win."

To this end, Milani stated, "If I could have our members concentrate on one thing, it would be the relationships with their legislators. Don't wait until the session starts. Know who your legislators are, be in contact with them, get to know them, and explain our business to them. Tell them how many employees you have. Show them how you fit into the neighborhood and what you do for the community."

Such strength in numbers will go a long way to relieving anxieties and keeping state government on the side of the small business operator. Marberger fears the day the supermarket operators might put on their most aggressive, full-court press yet for grocery stores to sell beer and wine as they do in other states. He wonders, "Will all of the large chains band together and form some mega-group and throw all of the money in the world at new legislation? Will one or two rise above the rest and lead

the charge? We don't know. Vigilance!"

Looking ahead, all three interviewees definitely see some formidable challenges on the horizon. Wise notes that the federal largesse that "rained funding down" upon the states during and after the pandemic has run out. "Maryland's Governor has already signaled that either belt-tightening or higher taxes and fees, or some combination thereof, are going to be required. An alcohol tax increase will no doubt be on the menu of options if higher taxes are considered."

But all three agreed that if beverage pros band together, they have an excellent chance of surviving anything that comes their way. Milani urged in conclusion, "When issues come up, you want to have the chance to present your side of things. And when those elected officials sit down and debate these issues, we want them to have in mind the small businesses in their district. It helps when people know your story, know what you do, and how many local people you employ." ■

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