

# PRINCE GEORGE'S COUNCIL

**Budget & Policy Analysis Division** 

February 26, 2025

## FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins

Council Administrator

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THRU:

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FROM:

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Legislative Budget and Policy Analyst

Policy Analysis and Fiscal Impact Statement

CR-003-2025 Alcoholic Beverages – Licenses for Retail Establishments

<u>CR-003-2025</u> (proposed and Sponsored by: Council Members Fisher, Blegay, Oriadha, Hawkins, and Watson)

Assigned to the Government Operations and Fiscal Policy (GOFP) Committee

A RESOLUTION CONCERNING ALCOHOLIC BEVERAGES - LICENSES FOR RETAIL GROCERY ESTABLISHMENTS for the purpose of stating a policy by the Prince George's County Council and requesting that the Prince George's House and Senate delegations of the Maryland General Assembly support local legislation allowing the Board ("the Board") of License Commissioners for Prince George's County to issue a Class A beer and wine license to establishments in the Board's jurisdiction to sell beer and wine to individuals who are twenty-one (21) years old or older.

#### **Fiscal Summary**

# **Direct Impact:**

Expenditures: No expenditure impact.

*Revenues:* No revenue impact.

GOFP Committee Fiscal and Policy Note – CR-003-2025 Page 2

## **Indirect Impact:**

Likely favorable.

#### **Legislative Summary:**

CR-003-2025<sup>1</sup> was introduced by Council Members Fisher, Blegay, Oriadha, Hawkins, and Watson on January 28<sup>th</sup>, 2025, and was referred to the Government Operations and Fiscal Policy Committee. The proposed legislation states the position of the Council in support of a change in State law that would allow retail establishments such as chain stores and supermarkets to sell light wine and beer.

## **Current Law/Background:**

Maryland Code Sections 26-102<sup>2</sup>, 26-1501<sup>3</sup> through 26-1509<sup>4</sup>, and Section 4-205<sup>5</sup> of the Annotated Code of Maryland (Alcoholic Beverages and Cannabis) put into effect the sale of Alcoholic Beverages in Prince George's County. The Maryland Code currently prohibits a local licensing board from issuing a Class A beer and wine license to a chain store, supermarket, or discount house.

During the current 2025 General Assembly session, Delegate Marlon Amprey (D-Baltimore City) introduced HB 1379 Alcoholic Beverages - Class A License - Retail Establishments (Alcoholic Beverages Modernization Act of 2025)<sup>6</sup>, and was assigned to the Economic Matters Committee. The Bill would authorize a retail establishment to offer to purchase a Class A license from a Class A license holder under specific circumstances. The bill would also authorize a retail establishment to apply to a local licensing board for a Class A license. The bill would take effect July 1, 2025. HB 1379 faces heavy opposition as there is no counterpart bill in the Senate. However, Governor Moore still backs the effort, and a Moore spokesperson said "the governor's position has not changed" on the bill<sup>7</sup>.

#### **Resource Personnel:**

- Reese Espy-Glassman, Legislative Officer
- Shanika L. Griffith, Chief of Staff, Council District 2

<sup>&</sup>lt;sup>1</sup> CR-003-2025

<sup>&</sup>lt;sup>2</sup> Alcoholic Beverages and Cannabis, § 26-102 Md. Code

<sup>&</sup>lt;sup>3</sup> MD Alcoholic Beverages and Cannabis Code § 26-1501 (2024)

<sup>&</sup>lt;sup>4</sup> MD Alcoholic Beverages and Cannabis Code § 26-1509 (2024)

<sup>&</sup>lt;sup>5</sup> MD Alcoholic Beverages and Cannabis Code § 4-205 (2024)

<sup>&</sup>lt;sup>6</sup>Maryland General Assembly - HB 1379

<sup>&</sup>lt;sup>7</sup> Md. proposes surcharge on beer, wine sales as part of expansion into grocery stores

### **Discussion/Policy Analysis:**

Oftentimes, Prince George's residents must visit neighboring jurisdictions to purchase beer and light wine. For the purposes of identifying access points to fresh food, a food retailer may be defined as a retail establishment that offers for sale food products in at least five of the following six categories: (1) fresh fruits and vegetables, (2) fresh and uncooked meat, poultry, and seafood, (3) dairy products and (4) canned foods, (5) frozen foods and (6) dry groceries and baked goods. Moreover, statistics show that Prince George's County has been hardest hit by the pandemic health wise are the same places where the County has the least access to primary care physicians and general health care. These areas are the same places to have the least access to healthy food. Lastly, grocers may be attracted to local supermarkets if they also sold beer and light wine, providing a one-stop shopping experience

CR-003-2025 seeks support from the County House and Senate Delegations to the Maryland General Assembly for an amendment to State law to authorize the Board of License Commissioners in Prince George's County to issue Class A beer and wine licenses to retail grocery establishments so that they are able to sell to individuals who are twenty-one years (21) old or older. The goal is to address food insecurity and health disparities in underserved communities while promoting local economic development.

The proposed legislation may increase the financial viability of grocery stores in underserved communities. In Prince George's County, forty percent (40%) of the County's neighborhoods are considered food deserts, and places with low access to food and unhealthy food account for fifty-five (55%) of those communities' outlets. By allowing retail grocery establishments to sell beer and wine, the goal would be to make grocery shopping a more convenient, one-stop experience that could eventually encourage more supermarkets to open and operate in the County.

A key concern of this proposed legislation is that it would push out the already-existing liquor corner stores and mom-and-pop shops leaving them out of business. Additionally, Governor Moore's support for allowing grocery stores is critical as he stated "This is an issue that people are asking about<sup>8</sup>". However, some lawmakers are making their voices heard in opposition to this proposed change in the State as some see this as adding more liquor stores to high-poverty areas that already have liquor stores. Online polls conducted in November for Blended Public Affairs found that 60% of respondents in Prince George's County favored expanding the list of merchants who can sell alcohol, compared to nearly 30% who opposed the idea<sup>9</sup>.

#### **Fiscal Impact:**

Direct Impact

Adoption of CR-003-2025 will not have a direct fiscal impact on the County as this legislation requests/expresses support for State legislation.

<sup>&</sup>lt;sup>8</sup> Supporters optimistic this is the year for beer and wine in grocery stores

<sup>&</sup>lt;sup>9</sup> Ibid.

GOFP Committee Fiscal and Policy Note – CR-003-2025 Page 4

### • Indirect Impact

Adoption of CR-003-2025 could provide an indirect favorable impact on the County in terms of the annual tax revenues collected from the sale of alcohol in grocery stores, however, such increase is not likely to be significant, unless overall sales increase. Conversely, there may be associated costs with the implementation process, such as administrative costs related to issuing and monitoring alcohol licenses, training for employees, and enforcement of regulations.

• Appropriated in the Current Fiscal Year Budget

N/A.

# **Effective Date of Proposed Legislation:**

The proposed Legislation shall be effective on the date of adoption.

If you require additional information, or have questions about this fiscal impact statement, please reach out to me via phone or email.