



Maryland State Licensed Beverage Association

150 E. Main St., Suite 104, Westminster, MD 21157 ♦ (410) 876-3464, (800) 921-1381
FAX: (410) 871-2545 ♦ Website: www.mslba.org ♦ E-mail: mslba@msn.com



Jay Schwartz

MESSAGE FROM MSLBA LOBBYISTS

*By Schwartz, Metz & Wise, P.A.
MSLBA Lobbyists & Legal Counsel*



Steve Wise

2011 Session Brings New Term, New Faces

Thirty new Delegates will occupy seats in the House when the 2011 Session of the Maryland General Assembly begins on January 12, 2011, and 10 new Senators will be sworn in that day as well. This 22% turnover in the 188 member Assembly follows the November Election, where Republicans lost 2 seats in the State Senate and now hold 12 of 47 seats there. Republicans gained 6 seats in the House and now hold 43 seats out of 141 in that chamber. These numbers hold true for the next four years. Going a step further and looking at the committees which hear our issues, the House Economic Matters Committee will have at least 8 new members out of 23, and the Senate Education, Health and Environment Committee will have several new members. It will also likely grow in size from the current 9 members, perhaps to 11 or 12.

What does this shakeup mean for the alcoholic beverage industry? It means we have a lot of work to do educating new and returning members alike on the important role that the 3-tier system plays in the State, and the jobs and tax revenues we produce. It will have a profound impact on the issues important to us, like direct ship, alcohol taxes, and other regulatory measures. Indeed, if we fail to do our job of reaching out to these legislators, and take advantage of the opportunity to make personal contact with them, we have only ourselves to blame for any adverse results. The grassroots power of the industry is unmatched in Annapolis, but that remains true only if these personal contacts are established and fostered.

While the industry was successful once again in defeating proposals to allow the **direct shipment of wine** to consumers in the State in 2010, legislative leaders who have supported our position in the past have expressed interest in the industry coming to a compromise on this issue in 2011. In December, the Comptroller will issue a report outlining the laws in the other 49 states, and that is expected to frame the discussion of what type of shipping law, if any, should be adopted in Maryland. MSLBA's leadership will review that information thoroughly in arriving at its position in 2011. This will be a tough fight once again.

Fifty-six (56) House members signed a pledge to support the “Dime-a-Drink” increase in the **alcohol excise tax**, with the proceeds dedicated to health care and various programs for the disability community. Another 7 members agreed to support a tax increase, but not to dedicate it to any particular purpose. These 63 votes are still short of the 71 needed to pass a tax increase in the House, but not by much. In the Senate, 19 people have signed on, 5 votes short of what is needed for passage. The industry’s message of lost jobs and sales going to Pennsylvania, Delaware, West Virginia and DC if taxes are raised, will have to be delivered strongly to stave off an increase, particularly with budget shortfalls at all levels of government and leaders looking for added revenue.

Unless you’ve lived under a rock for the last several weeks, you know that various measures have been implemented to remove certain **caffeinated alcoholic beverages** from store shelves. The industry—wholesalers and retailers alike—took a proactive role in this effort by agreeing to a voluntary ban of them. Despite taking these products out of the stream of commerce, it is possible that legislation permanently banning them or some other similar measure will be introduced and considered by the General Assembly. MSLBA will obviously review those proposals carefully and weigh in accordingly.

Also in the press recently has been the push for “**corkage**” legislation, which would allow restaurant patrons to bring their own bottles of wine into a restaurant and consume it there. MSLBA opposed this legislation last year, along with the Maryland Restaurant Association. It is MSLBA’s position that, at a time when restaurants are struggling, it makes little sense for the government to exacerbate the problem by taking the sale of a bottle of wine away from the restaurant. Furthermore, questions arise as to the restaurant’s ability to monitor the amount of wine the person consumes when they’ve brought their own bottle(s) onto the premises. As one person recently queried, “What’s next, the customers will be allowed to bring their own food?”

Legislation that would have **mandated that bars and restaurants recycle** was introduced but defeated or withdrawn in 2010. Bills with such mandates are expected to be considered again in 2011. To MSLBA’s knowledge, only one state—North Carolina—has implemented such a mandate, and it has been rife with problems. In Maryland, Ocean City actually ceased its commercial recycling program in 2010, citing problems with the resale of recycled materials. These proposals will be reviewed in due course by MSLBA’s Legislative Committee.

Finally, over the summer and fall the **Worcester County Dispensary** has been the subject of an investigation by the Comptroller’s Office. A report on this investigation is expected prior to the General Assembly session. It is likely that this report will result in legislation to eliminate or substantially modify the Dispensary there.

The leadership of MSLBA invests countless hours making decisions on these and many other legislative and regulatory measures. But that time only produces results if every member of the industry conveys the industry’s message to their legislators. Don’t assume someone else from our industry is talking to your Delegate or Senator on your behalf, or you may find the only one talking to them was someone on the other side.