

2018 LEGISLATIVE SESSION



WHAT'S ON TAP FOR BEVERAGE ALCOHOL BUSINESSES By Teddy Durgin

I've been writing this annual Maryland state legislative preview article for five years in a row now. And normally, this feature is filled with quotes of hope and a bit of apprehension for the year ahead from various figures in our industry. This year, there is more apprehension than hope from members of the Maryland State Licensed Beverage Association (MSLBA).

Most of it is centered around Comptroller Peter Franchot's unveiling of a legislative package that would make sweeping changes to the state's regulation of craft breweries. Franchot's 12-point "Reform on Tap Act of 2018" seeks to eliminate limits on sales from taprooms and for take-home consumption for the state's breweries. In addition, it would eliminate limits on beer production for breweries that faced caps and let localities set their own taproom hours. The goal of the proposal is to do away with regulations Franchot says have stifled one of Maryland's most promising economic engines.

The proposal would follow legislation ap-

proved earlier in 2017 that quadrupled the amount of beer breweries can serve - up to 2,000 barrels, or nearly 500,000 pints. That legislation was designed to pave the way for a new Guinness brewery and taproom in Baltimore County. It also stipulated that breweries could serve an additional 1,000 barrels if they sold the beer to a wholesaler, then purchased it back, and limited operating hours for new taprooms. For their part, micro-breweries attached to restaurants can now serve up to 4,000 barrels on-site.

In short, Franchot's proposal could set up state legislators for another lengthy debate about breweries for a second year in a row. One person who is somewhat baffled is MSLBA legal counsel **J. Steven "Steve" Wise** of Schwartz, Metz & Wise P.A. During an interview in late No-

vember, he commented, "The Comptroller took up this effort with a special task force and he's made recommendations that we're still digesting. But in our view, we had just reached an agreement on most of these top-

ics less than seven months ago. The law became effective July 1. It hasn't even been law six months, and so we'll be looking at it in that light."

MSLBA Legislative Chairman **Jack Milani** is equally perplexed. "It was a pretty tough session," he recalled. A lot of negotiating went on, and I think everyone left the session feeling like they didn't get what they needed. We were all

unhappy, which is usually the sign of a pretty good bill! Or at least a fair bill. I never dreamt we'd be addressing it the very next session."

Having served as a member of Franchot's

... Franchot's proposal could set up state legislators for another lengthy debate about breweries for a second year in a row ...

task force, Milani believes the Reform on Tap Act of 2018 will indeed dominate this next session. "I think Peter's intentions are certainly to promote Maryland beers," the proprietor of Monaghan's Pub in Baltimore acknowledged. "Obviously, there are a lot of ways to do that. For me personally, I think I'd spend most of my time promoting people trying the products and making sure people understand that when they buy those products, this is money that stays in Maryland. This supports Maryland families. At the end of the day, we all need each other. The more successful brewers in Maryland are the ones who are getting their stuff out into the stores."

Wise added, "On several of the points ~ the operating hours, the taproom consumption limits ~ those were all a product of the agreement that we had already reached in the 2017 session. So, we'll have to see why that agreement isn't still valid after such a short time having passed."

Of course, there are other issues out there that the MSLBA and other beverage industry interests will be paying attention to in 2018. MSLBA President David Dent of Chief's Bar in Tall Timbers, Md., noted, "There is an

initiative for paid sick leave. And that not only affects the alcohol industry, but a lot of small businesses. It will be interesting to find out what goes on with that. I agree with the concept where they're trying to protect employees in allowing them to have paid sick leave. Part of the problem I saw as a business owner was they were affecting small businesses with very few employees in mandating paid sick leave. That could put a hardship on a lot of the very small businesses. There's also an accounting process that has to be in place where you have to accrue the hours and things like that. I think last year the Governor that set the threshold at 50 employees or more, and I think that might be a bit more realistic."

All three men interviewed for this article urged readers to get more active in Maryland's political scene to improve things for everyone. Dent stated, "Our state representatives want and need input from small business owners, especially from our industry.

We do serve our local communities. We're in a pretty unique position to offer insight and advice about our industry and the issues affect us and all small businesses."

Both Wise and Milani touted the importance of joining one of the industry groups or associations representing beverage interests around the state. Wise remarked,

"You have to get active and be tuned into what's going on. Everything we deal with in the General Assembly and through regulation is a pocketbook issue."

Milani concluded with an MSLBA tout specifically. "You need to be a member of the association," he declared. "That gets you informed as to what's going

on. You've gone and made a hefty investment in your business. You should also invest in protecting your business and making sure you are aware of what's going on. Every bill that affects our industry is tracked. We take positions, we testify, and we work with other business groups." ■

"We're in a unique position to offer insight and advice about our industry ... state representatives want and need input from small business owners..."

44th Annual



SPRINGTRADEEXPO
Ocean City Hotel-Motel-Restaurant Association

March 4-5, 2018

Sunday: 11 am - 5 pm
Monday: 11 am - 4 pm

OC Convention Center
Ocean City, MD

**EXCLUSIVELY FOR THE TRADE
NO ONE UNDER 21 ADMITTED**

410-289-6733
oceancitytradeexpo.com



Over 400
Exhibit Booths
in 3 halls

Call to reserve
your booth today

**WHERE
HOSPITALITY
BUYERS &
SELLERS
MEET**

