



MONTGOMERY COUNTY COUNCIL

Rockville, Maryland

Hans Riemer

Councilmember At-Large

July 14, 2016

Dear Fellow Work Group Members,

I regret that I cannot attend our first meeting due to family travel. I look forward to our deliberations.

In early 2015, Council President George Leventhal agreed to create the Ad Hoc Committee on Liquor Control. I chaired it; Mr. Leventhal and Councilmember Marc Elrich were members.

As I'm sure you are all aware, after almost a year of investigation and deliberation we proposed state legislation to privatize "special orders" - the huge variety of smaller brands and craft products which are not regularly stocked at the Department of Liquor Control's warehouse. The proposal was initially supported by a unanimous County Council, the County Executive, MCGEO, the Chambers of Commerce, and the Restaurant Associations. After alternative privatization legislation was proposed, the business community largely shifted its attention to that approach and Mr. Leggett withdrew his support for the legislation and agreed to create this task force.

I still believe that the Council's solution would have alleviated a large percentage of the legitimate problems that the Ad Hoc Committee uncovered with the Department of Liquor Control, without creating a major disruption for the County's budget or workforce. But I also recognize that there may be other valid approaches, and I am pleased to serve on this work group with the hope that we can once again find a solution that earns sufficient support from stakeholders to move forward.

To that end, I would like to request that we study the feasibility of a local distribution charge. A controversial element of the Council's proposal was local authority to levy a new charge on private distributors to make up any lost revenues. Ultimately, the Council did support privatizing special orders without a new charge. But as we consider all options, we would benefit greatly from a clearer understanding of the market impacts of a charge at various levels -- how much can realistically be raised while still incentivizing distributors to participate?

Thank you for considering my request as part of the work program for our group.

Sincerely,

A handwritten signature in black ink, appearing to read "Hans Riemer".

Hans Riemer