

Economic Matters Committee Testimony
Jonathan Garlington
3/04/2026

Madam Chair and members of the Economic Matters Committee—thank you for the opportunity to testify.

My name is Jonathan Garlington and I'm a Maryland business owner. I'm the majority owner and Executive Director of Alacrity Hub, which is a credit card processing company. In fact, we processed over 250 million dollars last year for hundreds of fellow Maryland businesses. and I'm here on behalf of my company, and those merchants. I'm respectfully asking for an unfavorable report on House Bill 1303 because I believe it will cause real, immediate economic harm—especially to independent package stores and the local businesses that depend on them.

HB1303 is not a small tweak. It opens a pathway for large “retail establishments”—including qualifying food retailers, pharmacies, and fueling/charging stations—to obtain Class A beer or beer-and-wine privileges using a process that, in practice, shifts sales into high-volume corporate channels. The State's own fiscal note flags this: it says the bill does not materially affect State finances, but the small business impact is “Meaningful,” and it explicitly says some currently licensed small businesses are likely to lose business if grocery stores begin selling alcohol. That sentence is why I am here—because that “some” includes my clients, my neighbors, and the vendors who keep Main Street running. Research summarized by the Institute for Local Self-Reliance reports that locally owned retailers return a far higher share of revenue to the local economy than chain retailers (52% versus 14% in the cited study), and specifically identifies mechanisms directly relevant to my testimony: independent businesses spend more on local

labor, procure more locally, and rely much more heavily on local providers for services including local accountants, attorneys, plumbing, HVAC, builders, marketing firms, printers, technology partners like me. All of those local businesses don't have a realistic opportunity to earn the business of large chain retailers that typically centralize purchasing, contracting, and professional services at regional or national scale, which reduces the number of "shots on goal" for local independent vendors compared with a retail landscape populated by many small independently owned stores.

Here's what a "meaningful" impact to small business can look like. In Colorado—one of the most recent states to expand grocery alcohol access—research found measurable declines in liquor-store visitation after policy changes that broadened alcohol sales beyond liquor stores. And after grocery stores began selling wine, Colorado reported documented independent-store owners and associations describing severe sales declines in real time. A fact-check produced in partnership with Gigafact and published by The Colorado Sun reported that small liquor stores recorded sharp drops in sales and customer traffic after beer and wine sales were allowed in grocery stores, citing 30%–50% declines Colorado Public Radio reported one year after beer and wine entered supermarkets that liquor stores described a "big drop in sales," with on-the-ground examples of closures or exits and owners describing difficulty competing on price and convenience. This triangulation matters: the academic literature often measures traffic and broad trends, while local reporting provides the "what it feels like on the ground" reality for a small business survival. Let us use Colorado's policy "course correction" as a lesson for Maryland. In 2025, Colorado enacted Senate Bill 33, described in reporting as a measure aimed at halting future expansion of hard-liquor sales into grocery and big-box

stores to protect small businesses from even further economic decline after the beer and wine expansions.

I also want to be clear about what this will do to competition. Big-box retailers don't treat beer and wine like just another product. They use it as a traffic driver—something that pulls a customer's entire basket into their store. That means the impact is not limited to alcohol margins; it's a shift in where Marylanders do their routine shopping and where profits accumulate. And it's not only independent liquor stores that lose. When an independent store loses 10%, 20%, or more of its revenue, it doesn't just "tighten its belt." It cuts local spending: fewer local contracts, fewer improvements, fewer local professional services, and fewer opportunities for independent firms like mine to survive and hire. HB1303's structure also creates pressure on existing license holders in a 3,000-foot radius—effectively telling them: "sell your license or compete against a multinational retailer." Even if that sounds like a business choice, it's not a fair one when one side is a community-rooted employer and the other side operates at national scale.

I know "consumer convenience" is appealing. But convenience isn't free when it's financed by hollowing out locally owned businesses and the vendor ecosystems around them. The fiscal note already anticipates small-business losses. Colorado's experience illustrates how quickly those losses can materialize. Please do not repeat that experiment in Maryland. My plea is personal. Alacrity Hub depends on independent liquor-store clients—and on the local vendors they hire. When one of my family-run liquor-store clients had a bad quarter, the first thing they paused wasn't payroll—it was the local service work: IT, marketing, repairs, and maintenance. That same store uses local accountants, local contractors, and local

professionals who will never get a call from a national chain's procurement department.

Independent businesses recirculate more dollars locally than large chains because they rely more on local labor and local service providers. That's not a slogan—it's documented local-economic research.

I'm not here as a lawyer. I'm here as a Maryland employer asking you—please—do not pass a bill that consolidates yet another revenue stream away from local owners and away from local vendors. Please protect Maryland's locally owned businesses and the local vendors who depend on them. I urge an unfavorable report on HB1303.

Thank you for your time and consideration.

Alacrity Hub
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