



Maryland Developmental  
Disabilities Coalition



## SUMMARY OF ALCOHOL TAX LEGISLATION ENACTED DURING THE 2011 SESSION OF THE MARYLAND GENERAL ASSEMBLY

The 2011 Session of the Maryland General Assembly enacted several measures related to a new alcohol specific sales tax increase, which was the first time an alcohol specific tax was raised in Maryland since 1972. The measures are Senate Bill 994 sponsored by Senators Verna Jones-Rodwell and Rich Madaleno, House Bill 1213 sponsored by Delegate Carolyn Howard, the State Budget (House Bill 70), and the Budget Reconciliation and Financing Act (BRFA – House Bill 72). Both SB 994 and HB 1213 increased the sales tax on alcohol products in Maryland from the 6% that applies generally to 9% just for alcohol. This increase, which will raise at least \$87 million dollars per year in new state revenue, will provide the following public health and education benefits for Marylanders:

1. The 3% alcohol sales tax increase will substantially reduce underage drinking and alcohol abuse and save numerous lives. According to Professors David Jernigan and Hugh Waters of the Johns Hopkins Bloomberg School of Public Health, it will lead to a nearly 2% decrease in alcohol consumption, and prevent 14 deaths, 125 cases of aggravated assault, 26 incidents of severe violence against children, and close to 6,000 cases of alcohol abuse or dependence every year. This is a very significant public health success.
2. SB 994 provides that \$15 million of the \$87 million will go to reduce the chronically under funded waiting list for people with developmental disabilities. As a result, children and adults with disabilities like autism, cerebral palsy and Down Syndrome will receive desperately needed support services.
3. While funding for mental health needs was not included in the alcohol tax bills, the Governor's supplemental budget allocated \$15 million for publicly funded mental health care, providing desperately needed resources for community mental health services in response to a 40% increase in program enrollment since 2008. With expected federal matching funds of \$20 million, the increased funding for community mental health totals \$35 million.
4. After the first year, at least \$87 million dollars per year will be available for the Governor and General Assembly to use through the regular budget process, which we will urge be used for all the health care and community services needs set out in the original Lorraine Sheehan Act legislation which was sponsored by Senators Verna Jones-Rodwell and Rich Madaleno and Delegates Jim Hubbard and Justin Ross (these needs include health care; services for people with developmental disabilities and mental health needs; drug, alcohol and tobacco cessation, prevention and treatment; and health care worker training).
5. HB 1213 provides \$47.5 million for one year for school construction projects throughout the state.
6. The State Budget and the BRFA provide \$21 million for one year of public school operating funding for Baltimore City and Prince Georges, Allegany and Garrett counties.

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